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Rabin, Arafat sign Gaza/Jericho pact

PLO asks Israel to delay implementation by four weeks

DAVID MAKOVSKY
CAIRO

PLO Chairman Yasser Arafat asked Israel to slow the pace of transition in Gaza-Jericho by "up to four weeks" to assure an orderly transfer to the new Palestinian authority, Prime Minister Yitzhak Rabin told reporters here yesterday. He said that although Israel originally hoped to leave in 10 days, he would comply.

Rabin's remarks came at the end of a landmark day, which saw the signing of the 200-page accord signaling the first time that Palestinians will be given control over their own lives.

The ceremony was marred by an embarrassingly visible confrontation over whether Arafat would sign the agreement's accompanying maps, which included a smaller Jericho area than he had wanted. An angry, red-faced Rabin threatened to halt the ceremony, and the center-stage pressures on Arafat from all sides were easily discerned by the 2,500 spectators in the hall and millions watching on television.

The ceremony was abruptly adjourned for a few minutes amid concern that the entire agreement could unravel.

Arafat eventually signed the maps, but added a lengthy proviso that the validity of his signature was dependent on Rabin's agreement to an existing accompanying letter, which says that Israel will discuss increasing the 62 sq. km. allotted to autonomous Jericho, along with a promise to settle differences over whether a Palestinian policeman would be stationed on the Allenby bridge and whether a Palestinian would run the Rafah crossing terminal.

PLO spokesman Marwan Kana'ani said it was unfair to blame Arafat, since it was known he did not like the proposed size of Jericho, and "he did not know that maps would be signed." Israeli officials disagreed, noting that the Palestinians participated fully in preparations for the ceremony.

Israeli officials charged Arafat brought brinkmanship to a new



Foreign Minister Shimon Peres, his Russian counterpart Andrei Kozyrev, Prime Minister Yitzhak Rabin and Egyptian president Hosni Mubarak all try to persuade PLO chairman Yasser Arafat to sign the map of the Jericho area at yesterday's ceremony. (AP)

level, and a top Rabin aide called the spectacle a "disgrace."

In his remarks to reporters yesterday afternoon, Rabin played down what he called a "minor incident," preferring to focus on the future. "We could complete the handing over in two to three weeks, perhaps even in 10 days," he said. "The problem today, as the chairman of the PLO said last night, is that he might delay up to

two, three, or four weeks. We would like to get out as quickly as possible."

While cautious not to attack Arafat openly, Rabin did issue veiled criticism, suggesting that the delay is due to the PLO's preoccupation with symbols to the detriment of the nuts and bolts of governance. Israeli officials complained that they pleaded with the PLO to dispatch 300 Palestinian

police early to begin an overlapping period, only to meet with refusal.

Now, the PLO realizes there is a problem. It sent 22 policemen to Gaza yesterday, Rabin said, and is now willing to send officials to take the reins of the 38 spheres of civilian life in the territories. He openly questioned where the PLO will get the funds to pay the salaries of the approximately 24,000

Palestinian workers of the civil administration, and how it will manage to keep 18,000 Palestinians on public works projects.

He hoped that the international donors panel, which committed \$2.2 billion to the Palestinian authority over a five-year period, would help.

Chief Palestinian negotiator Nabil Sha'ath later confirmed the PLO had asked Israel to delay the

withdrawal.

"Mr. Arafat did ask him to make sure that the overlap will take place [so] that they will not leave too soon before we are in," Sha'ath told reporters. "We are talking about a few weeks, not talking about years. I don't think that reflects...any crisis," he added.

Rabin and his entourage returned last night to a festive wel-

come at Ben-Gurion Airport. He later attended an outdoor rally in Tel Aviv in support of the Gaza/Jericho accord. "Don't pay attention to those who celebrate bloodshed," he told thousands outside the Tel Aviv Museum.

At the signing ceremony, Arafat signed the three copies of the accord, which included security, civilian, economic, and legal annexes, then quickly thumbed through the six accompanying maps without signing.

When it was Rabin's turn to sign, Foreign Ministry legal adviser Yoel Singer whispered, "He didn't sign the maps." Rabin replied, "Then neither will I."

Returning to his place alongside Mubarak, Rabin visibly complained about Arafat's refusal to sign. Using unmistakable body language, including shaking his head, he said he would not speak unless Arafat signed. However, using his own hand gestures of refusal, plus a stony-faced stance, Arafat refused.

Foreign Minister Shimon Peres and Egyptian Foreign Minister Amr Moussa became involved, and both, along with Egyptian President Hosni Mubarak, motioned that Arafat must sign. US Secretary of State Warren Christopher stood alongside Arafat, awkward and motionless, only to become involved in talking with Mubarak and Arafat after calling his aide, Dennis Ross, to the podium.

Other Palestinians and Israelis were also called to the podium, and the discussions continued during the speeches. With the public ignoring the speeches and riveted on the political theater, the ceremony was abruptly halted.

Talking to reporters afterward, Rabin recalled his 6½-hour conversation with Arafat the night before, during which he agreed to extend area of Jericho from 55 sq. km. to 62 sq. km. Arafat, however, wanted more.

"I agreed that we would sign on the basis of my position, and could continue to discuss the issues. But when we signed, it would be on the basis of my answers," he added. "There is no agreement without maps."

Autonomy timetable

ALON PINKAS

Yesterday:

Fifteen deportees allowed to return to the territories. The first PLO police commanders enter Gaza.

Israel began the gradual release of the 2,500 Palestinian prisoners to be freed within 48 hours of the signing; an additional 2,500 are to be released in two weeks.

Today:

Four empty army bases and a police station in the Gaza Strip will be handed over to the Palestinians, thus beginning the final stage of the withdrawal.

Sunday:

IDF soldiers to start evacuating Gaza, and offices of military government move

to the Erez crossing point.

Top PLO deportees Mohammed Dahalan and Abu Ali Shahin to enter Gaza.

The international observer force will arrive in Hebron. About 1,000 Palestinian police officers are to cross with vehicles and weapons from Egypt to Rafiah. An additional 500 will enter Jericho from Jordan. About 6,500 more are expected within three weeks.

May 25:

The last day, according to the agreement, for full withdrawal from Gaza and Jericho.

June 5:

Unconfirmed reports say Yasser Arafat plans to arrive in Jericho.

Jericho residents await concrete results of accord

BILL HUTMAN

JERICHO

JERICHO residents draped flowers and palm tree branches on army jeeps and police vans as PLO Chairman Yasser Arafat and Prime Minister Yitzhak Rabin signed the autonomy accord.

But peace still seemed to be only "a distant dream," according to one store keeper in the town, where many residents are skeptical of the agreement, and others are critical of it.

"People here want to see something. They don't believe in agreements anymore," said Musa Hilo, 51, the owner of a clothing store. "There is much difference between our dreams, and what happened today."

Dozens of residents gathered in the main square in the morning, as if waiting for something that would indicate an agreement had been reached and things were beginning to change.

But as the hours passed, it became apparent that change would not occur immediately. Army jeeps continued to patrol the

streets and army roadblocks remained in place.

As a final reminder that the Palestinian Authority has not yet taken over, youths threw stones and bottles at the police station in the late afternoon. Police responded with tear gas and rubber bullets.

Palestinian sources reported that several of the youths were lightly injured. Israel Radio said a policeman was hit with a stone and slightly hurt.

"The problem is there is a big gap between the street here and the stand of the delegation and the leadership outside," said Abed Sidar, the PLO leader in Jericho.

"We know the Jews and Rabin. We don't believe them. We don't trust them," Hilo said. "We're afraid of the future," he added.

In cafes and shops, many gathered around televisions and radios to follow the proceedings in Cairo.

Several broke into cheers and chanted nationalistic slogans as they watched Arafat sign. A few drivers honked their horns, and youths threw firecrackers in celebration.

But overall the reaction was subdued compared with the widespread celebrations in the city following the signing in September of the Declaration of Principles.

At the Allenby Bridge, deportees allowed back as part of the agreement were greeted by family members. "We have been waiting for a long time for a real peace. Maybe it is finally coming," said Moussa Khatib of Hebron, whose brother, Ali Mahmoud, was among the returnees.

All the returnees were affiliated with the PLO, Palestinian sources said.

Today, several heads of the Palestinian police force are expected to arrive in the city, according to the sources.

Arrests in Jericho synagogue, Page 2

Excerpts from the accord

ISRAEL shall implement an accelerated and scheduled withdrawal of Israeli military forces from the Gaza Strip and from the Jericho area to begin immediately with the signing of this agreement. Israel shall complete such withdrawal within three weeks from this date.

In order to carry out Israel's responsibility for external security and for internal security and public order of settlements and Israelis, Israel shall, concurrently with the withdrawal, redeploy its remaining military forces to the settlements and the military installation area (along the Egyptian border in the Gaza Strip).

Israel shall transfer authority as specified in this agreement from the Israeli military government and its civil administration to the Palestinian Authority, hereby established.

A Joint Civil Affairs Coordination and Cooperation Committee (CAC) and two Joint Regional Civil Affairs Subcommittees for the Gaza Strip and the Jericho area, respectively, shall be established.

The Palestinian Authority will consist of one body of 24 members which shall carry out and be

responsible for all the legislative and executive powers and responsibilities transferred to it under this agreement.

Changes in the members of the Palestinian Authority will take effect upon an exchange of letters between the PLO and the government of Israel.

Territorial jurisdiction shall include land, subsoil and territorial waters.

The personal jurisdiction extends to all persons within the territorial jurisdiction referred to above, except for Israelis, unless otherwise provided in this agreement.

Israel has authority over the settlements, the military installation area, Israelis, [and] external security.

The Palestinian Authority shall establish a strong police force. ... Israel shall continue to carry the responsibility for defense against external threats, including the responsibility for protecting the Egyptian border and the Jordanian line, and for defense against external threats from the sea and from the air, as well as the responsibility for overall security of Israelis and settlements.

Rabin: Syria's position means certain stalemate

DAVID MAKOVSKY
CAIRO

SYRIA'S current negotiating position means inevitable stalemate, Prime Minister Yitzhak Rabin said yesterday.

When asked by reporters about US Secretary of State Warren Christopher's efforts to revive the moribund Syrian-Israeli talks, Rabin was strongly critical of Damascus's position.

"We have passed along our thinking to Syria," Rabin said, adding to plans for a three-phase Golan withdrawal over five to eight years which Israel gave Christopher last week, without committing itself to a full withdrawal.

"Their answers proved that the gaps between us are large. I am

not exaggerating... If there is not a change in their position, there will be a long waiting period. No Israeli government can accept their current positions."

Environment Minister Yossi Sarid also complained about the Syrian position. First, he said, Syrian President Hafez Assad said that "establishment of embassies will only come at the end of the withdrawal, not alongside it."

Second, Assad "refuses to engage in any public confidence building measures" that would convince Israelis that he is serious about peace.

Third, Assad rebuffed Rabin's call for secret or upgraded talks with Israel, saying, "Diplomacy can only be accomplished by Christopher."

Some Israeli officials insist a Christopher shuttle would preclude creative, informal Syrian-Israeli discussions on security requirements.

SOLDIERS leaving Gaza through the Erez checkpoint did most of the celebrating yesterday, as Gazans remained somber about the signing of the Cairo agreement that handed them self-rule.

"Good-bye Gaza, I hope never to see you again," shouted a soldier on his way out. "Gaza belongs to you now, look after it," said another soldier, handing back a taxi driver's documents and waving him through a roadblock.

Few knowledgeable Gazans expected an outburst of joy among the local residents yesterday. People kept their emotions to themselves. Gazans debated whether it was a trick, a sellout or an opportunity. None considered it a new dawn.

"They are handing us responsibilities but keeping the control," said a nurse at Shifa Hospital. "Gaza will just be a large prison." "It is a black day, a disaster," said a young man leaving a barber

JON IMMANUEL
GAZA

shop. "I want to go back to Jaffa." There was no indifference. The streets were half empty during the signing ceremony, as people were glued to their TV sets.

Allusions to the past seemed to dominate the conversations. Those who supported the agreement talked as though anything must be better than the present.

"What are we supposed to do? While Rabin was actually signing, a soldier shot a boy in the leg. We are still waiting to see what happens," said pharmacist Ihsan Ahmad. His shop is opposite the guard tower in the Jabalya refugee camp, whose future will be a litmus test of a successful peace agreement.

There were signs that the opponents of the peace agreement were not the majority. Hamas did not

declare a strike - indicating it did not expect it to be observed - and its midday call for two days of mourning seemed to have the opposite effect. Youths in cars decked with Palestinian flags raced through town. Despite Hamas calls to hoist black flags, few were seen.

But there was a strike in Hebron, ordered by Fatah to bring "the attention of the whole world on the day of the Cairo signing to remove settlers from Hebron," said the east Jerusalem daily *Al-Nahar*. Another in Jerusalem was coordinated between Hamas and Fatah.

Faisal Hussein, who has supported Arafat, preferred to join Dr. Haidar Abdel-Shafi, who rejects the current agreement, and Jamil Hamami, a Hamas notable, in a joint press conference on the Mount of Olives, rather than go to Cairo. He had misgivings about (Continued on Page 2)

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Opposition submits bill to dissolve Knesset, hold new elections

SIX Knesset opposition factions joined forces yesterday to submit a bill calling for the disbanding of parliament and the holding of new elections.

"This is not just a declarative act," explained Likud chairman Binyamin Netanyahu during a press conference summoned by opposition leaders an hour before the beginning of the Israel-PLO signing ceremony in Cairo.

"It will take at least 45 days for the law to be put to a vote. Today there is a well-based assessment in the IDF that terrorism will increase. I have also noted the declaration of seven Labor MKs that they will not be party to the government's intentions of withdrawing from all of the Golan Heights. Therefore, anything is possible."

Netanyahu charged that the government did not have the support of the majority of the nation and relied on a "tiny, technical majority of PLO supporters in the Knesset."

"The government did not receive a mandate

DAN IZENBERG

from the nation for this step," Netanyahu continued, referring to the Gaza/Jericho implementation agreement.

"Rabin received a mandate to do the exact opposite of what he's doing. In the wake of these broken promises there is a security crisis unprecedented in peacetime. Never have so many Israelis been killed and wounded in so many attacks. In a properly-run country, such a government would have returned its mandate to the people."

The opposition will also initiate a petition against the government and organize demonstrations throughout the country, Netanyahu said.

Tsomet leader Rafael Eitan painted a grim picture of what he expects to happen in the coming months. He warned that Arafat's first move would be to come to Jerusalem to visit the Aksha mosque. He would also declare the establishment of an independent Palestinian

state and invite international observers to Jericho to make it impossible for the IDF to effectively fight Palestinian terrorism, which would escalate.

"The terrorism will come from Tulkarm... and the Gaza Strip, just like in the 1950s," continued Eitan. "Is the army ready for this? Is the government? A Palestinian armored car will park at some intersection, see a bus full of children, direct a burst of gunfire and flee. Will [the army] chase it, will they destroy it, will a tank fire a shell at it?"

Eitan also warned that Arafat would allow thousands of Palestinian refugees to return to Jericho and Gaza; these refugees would put more pressure on the PLO for the conquest of Israel.

"Who will look after these refugees?" asked Eitan. "Where will they want to go from there? To Latrun, Beit She'an, Lod and Ramle. And who will stop them? The Palestinian policeman on the bridge? Or those who issue Palestinian passports in Jericho?"

200 protesters arrested at Jericho synagogue

HERB KEINON

SOME 200 Jews opposed to the peace agreement were arrested in or near the Shalom AJ Yisrael synagogue in Jericho yesterday, as they waged a game of "cat and mouse" with the army and police while trying to reach the synagogue.

The bulk of the arrests were made inside the ancient synagogue complex, when the IDF carried away protesters during morning services.

Those in the synagogue converged on the site throughout the night, some of them walking through Wadi Kelt, and others traveling on back roads by jeep from Mitzepe Jericho. Groups also set out for the synagogue throughout the day.

"It was horrifying for us to see a sight like this, dragging Jews away from a part of Eretz Yisrael," said Nissan Smoliansky, head of the Elkana Regional Council.

The area around Jericho, from Vered Jericho in the south to Phasael in the north, was declared a closed military area, and journalists were not allowed to enter.

Eyewitnesses said that the few hundred protesters in the synagogue offered passive resistance. Yechiel Leiter, a spokesman for the Council of Jewish Communities in Judea, Samaria, and Gaza, said the sight was reminiscent of the evacuation from Yamit.

Under the Cairo agreement of February, the yeshiva and synagogue are to remain under the jurisdiction of the Religious Affairs Ministry.

OC Central Command Maj.-Gen. Ilan Biran denied charges that excessive force was used in removing the protesters from the site.

"It seems to me that it was done legally and reasonably," he told reporters. "The area is a closed military zone. Nevertheless a group came that broke the law. They were arrested, will be investigated, and will be brought to justice according to the laws of the land. It is forbidden to give up on security, law, or order."

The purpose for the demonstration, Leiter said, is "to show our loyalty to the land, while

Prime Minister Yitzhak Rabin shows his disloyalty. The notion that this treachery can go without protest is unacceptable. At the very least, the protest is to make a statement that this is unacceptable to Jewish tradition and morals."

Sixteen MKs, led by Likud leader Binyamin Netanyahu, came to the synagogue in the early afternoon and signed a "covenant of allegiance" that read: "In the light of the abandonment of the people and the land, we the undersigned have come to the city of palm trees, Jericho, which is going to be handed over to the arch-murderer [Yasser] Arafat, to pledge allegiance to the land of our fathers."

A similar type of covenant was signed by a group of right-wing activists at the ancient synagogue at Na'aran, just north of Jericho. Former Tehiya MK Elyakim Ha'ezni said the purpose of the covenant is to show future historians that during this period there was a group of people "who were not drunk or apathetic, and who fought to preserve our heritage."



Jubilant Gaza City residents celebrate the signing of the Gaza/Jericho accord yesterday.

(Brian Hender)

(Continued from Page One) Israel's intentions, especially on Jerusalem (Story, Page 3). But in Gaza, it was notable that while opponents of the agreement did not want to be identified, the supporters were happy to be. Ahmad Heres, 15, whose father is serving a double life term for murdering two Israeli civilians in 1985, is incarcerated in Israel, and not

GAZA

on any list of prisoners to be released soon.

"My father is a great hero," he said in one breath. "I want the peace," he said in the next.

While Abdel-Shafi was in Jerusalem, Gaza youths painted colorful slogans on the wall of his home.

not in support of the agreement but in support of the imminent arrival of the Palestinian police.

This seemed to be the general pattern. No one wanted to sound naive and say the agreement fulfilled his dreams, but everyone was ready to express their joy at

each piece of evidence that heralded a new future.

The only excitement was in the crowd "congregating" outside the Gaza central prison. PLO leaders in Gaza had told the IDF command there yesterday that no celebrations were expected upon the signing of the agreement, but only the prisoner release promised later in the day.

Demos against accord in Gaza, Jerusalem

HERB KEINON

THE signing of the Israel-PLO autonomy accord yesterday sparked anti-government protests throughout the country.

At Neveh Dekalim in Gush Katif, about 1,500 people - including a number of people who were fasting - held a prayer vigil against the accord. Schools were closed in the area to enable pupils to attend the demonstration.

Gush Katif Chief Rabbi Yigal Kaminitzky told the crowd, "This is not peace. Peace you make from a position of strength, force, heroism. Not from a sense of weakness." Gaza Council head Zvi Hendel received an enthusiastic round of ap-

plause when he went up to the stage during the mini-crisis in the signing ceremony and told the crowd there were problems in Cairo.

In Jerusalem, meanwhile, protesters burned two tires at a demonstration in front of the Prime Minister's Office. One of the protesters was detained for questioning.

On the other side of the political spectrum, a few hundred Peace Now activists went to the Erez checkpoint to demonstrate support for the agreement. The Israelis were joined by a number of Palestinians from Khan Yunis, who voiced their support from the other side of the fence.

Fifteen Palestinian policemen arrive in Gaza

JON IMMANUEL

FIFTEEN Palestinian policemen entered Gaza from Egypt yesterday, and up to 500 Palestinian prisoners were released as of last night. Several hundred more are to be released today, the IDF said.

The police were spirited away by IDF commanders, who took them on a tour of bases to be evacuated over the next three weeks. Two are to be handed over today, Palestinian sources said. Military sources said that one or two bases would be handed over.

The senior officer, Gen. Ghazi Jabali, 44, was one of four who arrived yesterday morning. The rest, junior officers, arrived later in the day, Palestinian sources said.

Jabali, who was born in Gaza but left 40 years ago, said that 9,000 Palestinian police will begin arriving during the coming week, but not today as originally planned, due to technical hitches.

The prisoners released were mostly from the Ketziot tent camp in the Negev. They were brought in buses to the Nahal Oz checkpoint and Gaza Central Prison, military sources said.

Palestinian radicals demonstrate against accord

TUNIS (AP) - Yasser Arafat's wife threw a party to celebrate the signing of the autonomy accord, but radical Palestinians castigated yesterday's deal and called for protest strikes in refugee camps.

"This is a historic moment for both the Palestinian and Israeli peoples," Suba Arafat, 31, said as she hosted about two dozen rejoicing Palestinian women and PLO staffers at a party here. "I hope it will put an end to our sufferings and to the tears of the Palestinian and Israeli mothers and children."

In Lebanon, radical Palestinian factions called for protest strikes yesterday in local refugee camps. Burning tires blocked entrances to the Ein el-Hilweh camp, the largest in Lebanon with 60,000 inhabitants.

In Damascus, Ahmed Jibril, the head of the PFLP-GC, screamed curses as he and other radical leaders watched a live broadcast of Arafat and Rabin signing the accord.

Reporters in Jibril's dingy basement office in the Mazraa neighborhood of Damascus said when Arafat wrote his signature on the document, Col. Saad Mousa, gray-haired leader of the Fatah-Uprising group, slammed a clenched fist down on a table and shouted "to hell with that traitor!"

Court rejects petition against prisoner release

EVELYN GORDON

THE High Court of Justice yesterday rejected a petition against the impending release of 5,000 Palestinian prisoners, ruling it was a political issue which only the government could decide.

In response to the petition, the court said that all released prisoners would have to refrain from further terrorism, but only for the next three years.

The petition was filed by B'Tsedek, which describes itself as a human rights group; Gaza Coast regional council head Zvi Hendel, and Rabbi Ya'acov Meidan of Har Etzion Yeshiva in Alon Shvut.

It charged that releasing prisoners - including those from organizations such as Hamas, which don't accept the agreement with the PLO, without even asking them to promise to renounce terror or demanding that the PLO fulfill certain conditions in exchange, would constitute a security danger, since prisoners released in previous deals have often committed more terror acts.

In another case, the court yesterday rejected two petitions demanding that Dr. Ahmed Tibi, an Israeli Arab advising Yasser Arafat on the peace process, be tried for treason, and that former chief rabbi Shlomo Goren be tried for incitement to rebellion for saying that if an order to dismantle settlements were given, soldiers should disobey it.

The attorney-general had argued in both cases that there was no public interest in such a trial.

The final night of bargaining

DAVID MAKOVSKY

CAIRO

THE ceremony yesterday inaugurating the Gaza/Jericho First Accord came after a six-hour late-night negotiating session between Prime Minister Yitzhak Rabin and PLO Chairman Yasser Arafat at Egyptian President Hosni Mubarak's Itahadia Palace.

Participants said the last-minute talks were "tense," and the exhausted negotiators finally disbanded at 2:30 a.m.

The discussions were mostly going on between Rabin and Arafat and their close aides; other advisers were summoned when needed from the adjoining hallways.

At one point, Rabin scolded Arafat for not being ready to assume responsibility in Gaza and Jericho. Mubarak, chatting with Christopher in a separate room to enable Israel and the PLO to work out their problems, made cameo appearances during the talks, successfully prodding both sides.

More than once, when Arafat held out for better terms from Israel on some issue, Mubarak said: "Hadas (enough) Abu Ammar," using Arafat's nom de guerre.

On the size of the Jericho area, Israel yielded 6 km., bringing the size up to 62 sq. km.; but Arafat wanted more. Both sides took out maps.

Participants cited Rabin as saying Israel could not yield more without either coming too close to the Jerusalem-Jericho road, or else endangering a nearby settlement.

Arafat insisted that he wanted a bigger victory. But Rabin said no; Arafat then asked Rabin to make a gesture since the latter "had the upper hand."

Then the idea emerged of Rabin writing Arafat an accompanying letter, saying there is still a possibility that the issue would be addressed, said Environment Minister Yossi Sarid, who participated in the talks.

Arafat did not raise the issue of releasing convicted Palestinian murderers if they renounce violence and support the peace process, knowing that Israel would reject this.

However, Arafat did ask Rabin to relax the closure on Jerusalem. According to Sarid, Rabin did promise to look into the matter. In the ceremony yesterday, Arafat publicly called for a halving of the closure.

IDF's withdrawal plans move into high gear

ALON PINKAS

THE IDF yesterday shifted its preparations for withdrawal from Gaza and Jericho and the transfer of power to the PLO security apparatus into a higher gear.

"Unless we are ordered otherwise, we can pull out of Gaza in 10 days, maybe less," said a senior military source, referring to Prime Minister Yitzhak Rabin's remark that the PLO had asked for "more time" to familiarize itself with new

regulations before actual transfer of power takes place.

The source added that "the implication for us is to leave behind liaison officers, not whole units."

OC Central Command Maj.-Gen. Ilan Biran said that the IDF "could evacuate the Jericho-Ouja area within hours if required to do so."

Maj.-Gen. Amnon Shahak said after landing at Ben-Gurion Airport last night that the IDF would be out of Gaza in three weeks.

Southern Command sources, who met again with PLO security people in an effort to coordinate the transfer of power, said that the next two weeks will be crucial. "Now comes the real test," said a senior officer.

Fatah to use elections as springboard to political movement

LAMIA LAHOUD

FATAH leaders in the territories are preparing for internal elections designed to turn the organization into a political movement working closely with the self-rule authority in Gaza and Jericho, according to Hussein Sheikh, a Ramallah Fatah leader.

Marwan Baghout, one of the expelled intifada leaders who returned in April and was appointed deputy leader of Fatah in Judea and Samaria said Fatah needs to separate itself from the authority, and reorganize in areas not yet under Palestinian control. He explained that Fatah wanted to keep a certain degree of independence from the authority, so members could take positions independent from those of the authority. "We need to work out a structure for Fatah in the West Bank which will allow it to continue to be a national movement while functioning as a political party which will run independently for local elections, like municipal elections," he said.

"We will closely cooperate with the authority, but we may not always agree with them. In the West Bank, we are still under occupation. If we dissolve Fatah as a revolutionary movement and turn it into a political party we will lose our supporters. We need to find a compromise between being a revolutionary movement and being a political party which supports the authority," he said.

Such an arrangement will permit Fatah to negotiate a deal with Hamas in the territories without being restricted by international obligations, he explained. "Fatah cannot ask Hamas to stop activities in the West Bank as long as these areas are not yet under Palestinian control," said Baghout.

One issue Fatah, Hamas and the PLO rejectionist groups agree on is municipal elections. Fatah is preparing a new map of municipalities, including villages and camps, said Baghout. The elections are also designed to ease the internal power struggle. There are 24 seats in the autonomous council for Gaza and Jericho, divided equally between PLO members from outside and local Palestinians. All members will be appointed by the PLO Executive Committee, explained a Fatah leader.

"The Palestinians from outside will come to Gaza and Jericho to be part of the authority, not of the Fatah movement. Fatah in the West Bank is not yet part of the authority, which is why the local movement wants to transform itself into a strong political movement with its own power base and support," he said.

Clinton: Accord is milestone on the road to peace

HILLEL KUTTNER

WASHINGTON

PRESIDENT Bill Clinton yesterday hailed the Gaza/Jericho accord as a "milestone in progress toward a lasting peace" and emphasized the need for its immediate implementation.

Following the signing, Clinton telephoned both Prime Minister Yitzhak Rabin and PLO Chairman Yasser Arafat to congratulate them. Clinton expressed his "high regard for [Rabin's] coura-

geous leadership" and stressed to Arafat "the importance of moving without hesitation to make this agreement a reality," the White House said. He assured both of US support for their efforts.

Clinton also said, in a television appearance Tuesday night, that he was more optimistic than ever about Israel and Syria reaching a peace agreement.

SOCIAL & PERSONAL

For the annual meeting of the Board of Governors of Tel Aviv University.

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Jericho speculates on Arafat's arrival

BILL HUTMAN

JUST when will Yasser Arafat arrive in Jericho?

The question was the talk of the town yesterday. Rumors abounded that he would come for a brief visit as early as today.

PLO officials in Jericho said they had received no official word that Arafat would come today, but were quick to add that PLO officials in Tunis and Cairo had not totally rejected the possibility.

"Arafat could arrive at any time," said Abed Kareem Sidar, a PLO leader in Jericho. "He might arrive for a short visit tomorrow. I really don't know."

Sidar said that if Arafat arrived soon, it would only be for a short visit. He did not expect the Palestinian leader to make a permanent move to the city for at least three or four weeks.

Many PLO leaders and Jericho residents said they would be surprised if Arafat came to the city

while the IDF and Israel Police are still stationed there.

"Arafat would be crazy to come here with Israeli soldiers guarding him," said store owner Mussa Hilo. "I think he'll wait for the Palestinian police to arrive."

It remained unclear, however, just when the police would arrive. Palestinian sources said that 30 Palestinian policemen would come to Jericho today, and begin coordinating the takeover of internal security with Israel.

Arafat's picture is hanging in many shops and businesses in Jericho, one of the greatest PLO strongholds in the administered territories. Only a small minority of residents identify with Hamas and the rejectionist front groups.

"Arafat will be welcomed here; he's our leader," said Dr. Ali Hussein, 36, as he sat outside a barbershop, waiting for a haircut and talking with friends about the Cairo signing.

Jericho Palestinians express disappointment with agreement

BILL HUTMAN

THE ranking PLO leader in Jericho yesterday sharply criticized the Cairo agreement, saying it fell far short of Palestinian expectations.

"It doesn't meet our minimum needs. Everything is missing," Abed El-Kareem Sidar told *The Jerusalem Post*. "I don't think that the Palestinian delegation did a good job," Sidar said.

He said that many Palestinians were concerned that the Jericho/Gaza First accord would ultimately leave them with only those two areas, with Israel remaining in control elsewhere in the territories.

The fact that the question of Jerusalem had not yet been addressed also worried Palestinians, who see the city as their capital, Sidar added.

The PLO gave in too much to Israel on the size of Jericho, receiving far less than originally demanded, and on control of the Allenby Bridge, by not insisting on greater Palestinian presence, Sidar said.

His criticism reflected the generally negative attitude of both leaders and laymen in Jericho towards the PLO-Israel agreement.

There were no official PLO-organized celebrations in Jericho, largely because of the belief among local leaders that festivities were not appropriate until they had real gains to show the public.

"We have heard about agreements for too long," said Adnan Hamad, head of the PLO-affiliated Palestinian Democratic Union. "What we want now is not an agreement, but to see something change on the ground."

"I always knew that it would be a difficult process," he added. "We have struggled for this [agreement] since 1967, and the struggle is not over. It is only different now - in the field of the peace talks instead of the intifada."

Construction of Jericho bypass road to begin soon

DAN IZENBERG

THE government has issued a tender for a 17-kilometer-long Jericho bypass road linking Jerusalem and the Jordan Valley, and construction will begin within two-and-a-half weeks, Housing Minister Binyamin Ben-Eliezer told the Knesset yesterday.

The road, due to be completed in about three months, will replace the existing road running through Jericho, which has served civilian traffic since 1967. The government recently closed the Jericho road and rerouted traffic along a military patrol road skirting the border with Jordan.

According to Ben-Eliezer, civilian traffic will continue to use the military road until the bypass is completed.

"The preliminary planning of

the bypass has been completed," Ben-Eliezer told the Knesset. "The plan will be formally approved within a few days. In the meantime, I did not wait. We simultaneously prepared expropriation plans and the civil administration has begun the expropriation process."

"Not only that, but we have already issued a tender for the first phase, which is the critical one," he continued. "I believe we will open the tender in three or four days and that work will begin at full speed no more than two weeks later."

Ben-Eliezer said it usually took seven months to build a road of the size of the bypass; however, he predicted the road would be finished within two or three months.

MKs banter as signing ceremony proceeds

DAN IZENBERG

THE protracted Oriental-style ceremony that accompanied the signing of the Gaza/Jericho First agreement taxed the concentration span of all but the most avid MKs, parliamentary aides, and other Knesset staffers, who gathered in the MKs' cafeteria to watch the proceedings.

The audience, among whom the MKs were a decided minority, watched spellbound through the first portion of the ceremony, which reached its climax with the signing of the documents by Prime Minister Yitzhak Rabin and PLO Chairman Yasser Arafat.

But when the going got tough and a recess was called to resolve the unexpected crisis between the two sides over the signing of the maps, the crowd surrounding the small television set began to dissipate. Only the diehards stayed behind to see the crisis resolved and watch the speeches of Rabin, Arafat, and Foreign Minister Shimon Peres.

Despite the wide abyss dividing the government and opposition over the agreement, the atmosphere in the cafeteria was surprisingly low key and civil, testimony it would seem - to the overriding devotion to democracy which seems to characterize the vast majority of MKs.

Not that the occasion lacked political moments.

An unhappy-looking Rehavam Ze'evi (Molelet) approached Labor faction chairman Eli Dayan and asked him if he was celebrating or mourning the signing. "Celebrating," intervened Labor and Social Affairs Minister Ora Nativ, who was sitting beside Dayan.

"I know you're celebrating," Ze'evi told Nativ. "But Ashkelon [Dayan's city] will soon be hit by Katyushas."

One of the waiters, seeing so many potential clients sitting at the empty tables, asked whether anyone wanted a drink.

"Champagne," Nativ quickly answered.

Eli Goldschmidt (Labor) took up the idea and suggested that Dayan order a round of drinks for everyone - "everyone" meaning also opposition MKs Dan Meridor, Ariel Weinstein, Moshe Nissim, and Avraham Ravitz.

The wine arrived at an inauspicious moment - just when it became apparent that Arafat had refused to sign the maps.

"You better take it back," a

journalist joked.

"The maps are nothing," Dayan, ever the optimist, retorted.

"They'll sign them later."

Rabin's obvious discomfort

with the proceedings was a source of amusement to everyone. The audience burst out laughing when the cameras showed him impatiently tip-toeing up and down in place during one of the speeches.

Noting that Arafat was the first to sign the documents, Dayan joked: "Rabin's not taking any chances. He wants to make sure Arafat signs before he does."

There was one moment of mild exuberance when the television announcer dramatically declared that the agreement had been signed. Abdel Wahab Darawshe and a few left-wing parliamentary aides broke into applause.

The auspiciousness of the moment did nothing to persuade Speaker Shevah Weiss to postpone the beginning of the regular Wednesday plenary session, which began at exactly the same hour as the signing ceremony.

Inside the plenum, seven MKs debated the Housing Ministry's policy on releasing farmland for housing construction.

Local Palestinian leaders see little to celebrate

LIAT COLLINS

LEADING local Palestinians spent the morning in the garden of east Jerusalem's Seven Arches Hotel, looking subdued and occasionally bored as they listened to broadcasts of the Cairo signing ceremony.

"I have very mixed feelings," said Faisal Hussein, who sat with Haidar Abdel-Shafi, Hanan Ashrawi and Islamic leader Jamil Hamami. "We are happy that we start with the Gaza Strip and Jericho but we are also sad because there are a lot of articles which are so complicated that they could cause problems in the future." Posing for an NBC interview against the backdrop of the Old City and the glittering Dome of the Rock, the group seemed to be all dressed up with nowhere to go. There were no flags, pendants or any other signs of celebration. They sipped glasses of water and occasionally nibbled a plain-looking raisin cake.

Hussein, Abdel-Shafi and Ashrawi all resigned from their official PLO positions after the signing of the Declaration of Principles, apparently protesting the sidelining of local Palestinian leaders in favor of Tunis-based decision makers.

"We are not satisfied at all with the Israeli implementation or about our future in Jerusalem," Hussein added. But despite his repeated expressions of disappointment over the terms over the agreement, Hussein said it was a



A Jericho resident rides his bicycle, decorated with a Palestinian flag, past graffiti depicting an Arab rising up and breaking through barbed wire.

starting point from which Palestinians could make progress.

It was in which direction to go in that most concerned Ashrawi, the former spokeswoman of the Palestinian negotiating team. "I think it's a very difficult period," she said. "There are a lot of complexities. But the main issue is

what we do now. What do we do with it. This is the real challenge."

"There is a recognition of the importance of the moment, not just of the ceremony, itself but also of the implications and consequences," she said.

Only her chain-smoking belied

her relaxed look. She denied feeling either joy or fear about the future but said: "This agreement in itself has very serious flaws. It is very difficult to implement, and it has avoided the basic issues - the issue of Jerusalem and settlements and preventing Israel from creating unilateral

facts that preempt the final outcome and prejudice the situation."

Ashrawi stressed her dissatisfaction with what she called: "the Israeli placing of the Palestinians on probation."

"The agreement does not involve a genuine decision-making authority and places the Palestinians in a state of constant tests of good behavior, rather than starting an incremental process which would lead to the end of the occupation and, of course, the establishment of the Palestinian state," she said.

She denied that the agreement could be seen as being the first stage of Palestinian independence. "A first stage has a momentum. It has the possibility of a continuing process. This doesn't. It's a situation which puts the PLO on probation and consolidates the Israeli stand."

Asked for a message to Israelis, she said: "I really think peace needs a vision and a will not to get trapped in one's own trivial approaches and technicalities, but to see beyond the here and now and to prepare for it."

"If we continue to be buttressed behind barriers of fear and mistrust, then we are undermining the peace. I don't think Israel can expect to have peace when it doesn't give up land and doesn't give up the decision-making authority over our own [Palestinian] lives. The issue is not establishing tasks. The issue is self-determination."

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הכל מה האל

Signing get mixed reviews in Jerusalem

BATSHEVA TSUR
and JUDY SIEGEL

IT was business as usual in downtown Jerusalem as the drama unfolded in Cairo. No one appeared to be glued to portable radios or crowded round television sets in store electronics departments.

Shmuel Nahmani, of the Roma neighborhood, was reading the morning news from a paper in the window of an advertising agency. "I'm in favor of the peace process. I hope it will come about," said the retired civil servant. As for PLO Chairman Yasser Arafat's failure to sign the maps, he said, "Anyone can make a mistake. Sometimes there are differences of opinion. It's legitimate."

"I heard there was a problem. Did they sign? Then it's a black day for Israel. Our future is endangered," said Oren Pe'er, a 17-year-old high school pupil.

He said that the pupils had spent the entire morning at school arguing about the peace process. "We were about equally divided for and against. There was a lot of shouting, but we didn't come to blows. Not on that issue anyway."

Behind the counter of a fruit juice stall, Iyad Assad, of Issawiya in the eastern part of the city, was wishing buyers "good health and peace." If they signed, that means peace has already arrived, no? My family, all the villagers, are going to have a *hafa* [celebration] tonight.

He said he had been frightened when he heard on the radio that there was a problem with the signing. "I thought the peace was off. Now I feel good. Jews and Arabs will begin to help each other."

Aya Baruch, 21, a student who sells lottery tickets, said that "things must get better now that they have signed. I'm afraid of Palestinian terrorist attacks and pressure from the right, but I'm



Amal Hamad of east Jerusalem (left), Debra Finkelstein of New York (center) and Alexandra Kayman of California watch the signing ceremony in Jerusalem yesterday. (AP)

sure it will work out for the best."

"I am a Holocaust survivor and have waited all these years to see peace and tranquility," said Rosa Stein, an elderly widow from Rehavia. "Thank goodness [Foreign Minister Shimon] Peres spoke so beautifully and smoothly matters over. I couldn't leave to go to Kupat Holim because I was worried the agreement would not be signed. When I saw the smiles, the tears rolled down my cheeks."

"I'm a Likudnik, but I'm glad to get rid of Gaza; we'll have to hope for the best. Most Israelis will be happy if, in the long term, the agreement brings about less terror and fear and more hope," said

Shlomi, a kiosk worker near the central bus station.

"It's shameful and my worst nightmare," said Miriam, a young woman doing national service at the Magen David Adom station. "I won't say any more."

Edith, who immigrated from France two years ago, added: "Who else in the world returns disputed territory? I don't know why we have to be the 'righteous' ones and do it. We have such a small country."

The Linders, a tourist couple from Holland on their first visit here, said they wanted the best for Israel.

"Israelis deserve peace. What we're afraid of is, how do we know that the Palestinians won't demand more and more in exchange for peace. We're even more worried about the Syrians and Iraqis; they don't care at all about the Palestinians, but are much more powerful."

Yusef, a driver for Coca-Cola who has been working in western Jerusalem for 20 years, was reluctant to pass judgment. "I don't know what will happen. I get along with Jews and even like many of them. If only the politicians would let the two peoples live their lives, they could get along."

Tel Avivians too busy for history

ALLISON KAPLAN SOMMER

IT was business as usual in the Dizengoff Center mall in Tel Aviv yesterday, as many seemed too busy working, shopping, or meeting friends to take notice of yesterday's historic events.

"I've been working all day since the morning," said David Lachmi, 26, a clerk in a computer shop. "I haven't heard the radio or watched television all day. For me, it's just a regular day, the normal routine."

Rahel Levy, 60 and Sica Meshulam 62, sat daintily nibbling their slices of pizza. They simply sighed when asked about the agreement. "It's death for Israel," said Levy. "They are selling the state out and doing it at a very cheap price."

Ya'acov Elbaz, 25, and Yigal

Shmuel, 26, of Kibbutz Yetav, seven kilometers north of Jericho, said they felt trapped, since it would no longer be safe for them to drive through Jericho.

"What if we want to travel safely to Jerusalem?" asked Elbaz. "What do we do? Go through Tel Aviv? Take a back road? We feel isolated. Very few of our friends will come out to our kibbutz."

Next to Elbaz and Shmuel in the same cafe sat two young women, who responded to questions about the agreement with blank looks and the shrugging of shoulders. "Are you apathetic?" they were asked. Very apathetic, they responded.

Accord goes down well in Shfaram

DAVID RUDGE

"IT'S a historic day for us and we are very happy," declared Assad Mabriki after the signing ceremony in Cairo yesterday.

Mabriki, a Christian Arab from Shfaram in the Galilee, followed the ups and downs of the ceremony on the radio at a garage in the Haifa Bay area, where he is a foreman.

"We were all sitting round the radio, Arabs and Jews, listening to the what was happening. It was a great feeling," said Mabriki.

"I believe we are now on the road to a real and lasting peace that will ensure quiet for everybody - Jews, Palestinians, Arabs and Moslems. I look forward to the day when we will be able to travel freely to all the countries in the region," he said.

"There are those who are opposed to the peace process, but I'm convinced they will not prevail, because the path of peace is

the best and only way open to us all," he added.

Similar optimistic comments were made by another resident of Shfaram, Zaher Ibrahim Hussein.

"Certainly, there are extremists on both sides who wish to derail the process. Nevertheless, I firmly believe that if the leaders are strong and they point their respective people in the right direction, we can attain real and lasting peace," said Hussein.

"It has been the dream of the leadership of the Israeli Arab community to see the Palestinian people living in their own state alongside the State of Israel in peace and coexistence. Now we are seeing the beginnings of that dream coming to fruition. It's only a start, however, and it certainly won't happen overnight, but it's a good start," said Hussein, whose

father is visiting Saudi Arabia to participate in the Moslem Haj (pilgrimage) to Mecca.

"As soon as a comprehensive peace is reached, I see the whole of the region developing economically and in all aspects," Hussein added.

Halli Hamam, who was visiting Shfaram yesterday from his home in the nearby village of Hamra was also enthusiastic about the prospects - provided peace "proves itself on the ground."

"There's no doubt that the signing of the accord marks a breakthrough. It should have occurred at least 20 years ago, but better now than never," said Hamam.

"I believe that Palestinians and

Terror victims' families split over agreement

BATSHEVA TSUR

FAMILIES of victims of the recent terror attacks in Afula and Hadera were as divided as anyone over the implications of the peace agreement.

"It's crazy. This is our second blow in a short while. We're shocked. [Prime Minister] Rabin must have gone mad to sign such a document," said Hanoor Masgakar of Hadera, whose brother Rahamin was killed in the bombing of a bus there.

"We feel like they have sold our house. We are trying to keep our cool but they are finishing us off," he said in a telephone interview.

Strong support for the agreement, however, was voiced by David Vahaba whose wife, Ayala, was killed by the Afula car bomb.

"I believe it will stop the terror that we have suffered from all these years," Vahaba said. "That doesn't mean we should expect peace tomorrow. The most difficult part is still ahead of us: We have to work on coexistence."

Pausing for a minute, he added: "My feeling is that, if my wife were alive, that would be her opinion, too."

At the home of the late Bela Butin in Hadera, her brother Rubin Yagudayev answered the telephone. He had come from New York to care for their elderly mother, now left alone after Butin was killed by the Hadera bomb.

"I support the signing of the agreement," he said. "I think it is the best move."

Clinton blasts criticism of his foreign policy

NANCY BENAC
ATLANTA

PRESIDENT Clinton heatedly rejected criticism of his foreign policy Tuesday night, saying, "It's not fair to say we've been unprincipled or vacillating." But he said world problems are more difficult than he had imagined.

At an internationally televised CNN forum on foreign policy, Clinton went on the offensive against criticism that he's been an indecisive world leader, telling a questioner in Sarajevo: "There have been no constant flip-flops, madam."

Clinton warned Haiti's military leaders that he has not ruled out the use of force to restore democracy. He offered friendship to North Korea if it permits international inspection of suspected nuclear weapons sites. And he said he wants to avoid revoking China's most-favored trade status but that the loss of those benefits is "clearly an option on the table."

Clinton's appearance was televised live by CNN, with questioners in Israel, Bosnia, South Korea and South Africa.

"We've had a lot of successes that perhaps have not been as noticed as they should have been,"

the president said in defense of his policies.

He said the two-year civil war in Bosnia and the defiance of the military in Haiti were two areas that defied easy solutions. "At least on the international front, I would say the problems are more difficult than I imagined them to be," as a candidate, Clinton said.

Rejecting any suggestion that he fire his foreign policy team, Clinton said, "I think they're up to the job. It's just that they're plowing new ground" in the aftermath of the Cold War.

Clinton decried the ethnic bloodshed that has killed upwards of 200,000 people in Rwanda. He said the United States must provide more humanitarian aid, help deal with the flood of refugees fleeing their suffering homeland and "get the political process going again."

To a questioner from Sarajevo, Clinton angrily rejected the notion that he had failed to articulate a consistent policy on Bosnia and

had engaged in "constant flip-flops."

Recalling his efforts to lift the embargo to re-arm Moslem forces and his advocacy of tougher steps, Clinton said, "I think we have shown a good deal of resolve."

On China, Clinton pledged to "work hard to work out our differences so we can go forward together."

Clinton opened his appearance by saying the United States cannot shrink from its role of world leadership. And yet, he said, "America cannot solve every problem and cannot become the world's policeman."

Just before the news conference, Clinton pledged to double US aid to South Africa to roughly \$600 million over three years to foster the "miracle" taking place there. Polls show Americans divided on Clinton's performance on foreign policy.

A Time magazine poll issued this week found 44 percent of those surveyed thought Clinton was doing a good job handling foreign policy and 44 percent disagreeing.

(AP)

Voters pick nominee for Ohio senate

COLUMBUS, Ohio (AP) - Joel Hyatt, founder of a chain of legal clinics, won the Democratic nomination Tuesday to succeed his father-in-law, retiring US Sen. Howard Metzenbaum.

Hyatt narrowly defeated Cuyahoga County Commissioner Mary Boyle, who had said the Senate needs "more moms," not "millionaire lawyers."

Hyatt said the race against his Republican opponent, Lt. Gov. Michael DeWine, would focus on important differences between the two.

DeWine easily won the Republican nomination for the three-term senator's seat, defeating former National Institutes of Health director Bernadine Healy.

And in a congressional race that drew unusual attention, Democratic Rep. David Mann edged

state Sen. William Bowen in his bid for nomination to a second term. Mann had angered labor by voting for the North American Free Trade Agreement.

The Ohio Senate race was being closely watched as one of a handful that could imperil the Democrats' majority in Washington this fall. Democrats hold a 56-44 edge in the Senate but are defending 22 of the 35 seats up for election.

Also in Ohio, state Sen. Rob Burch won the Democratic nomination to challenge popular first-term Republican Gov. George Voinovich.

Next door in Indiana, US Sen. Richard G. Lugar was unopposed in the Republican primary for nomination to a fourth term. Jim Jontz, a former congressman, defeated Lyndon LaRouche supporter John W. Taylor. Jontz had

181,497 votes, or 55 percent, to Taylor's 149,811, or 45 percent, with 98 percent of precincts reporting.

Three of 12 House seats in North Carolina were up for grabs because of retiring incumbents: Democrats Tim Valentine and Steve Neal and Republican Alex McMillan. Neal is stepping down after 20 years in Congress. Valentine after 12, and McMillan, 10.

Indiana voters also chose nominees for the state's 10 congressional districts.

Anti-abortion activist Michael Bailey, whose graphic TV ads showing aborted fetuses first drew wide attention two years ago, lost in a three-way race for the Republican nomination in southern Indiana's 9th District. State Sen. Jean Leising had 57 percent, to Bailey's 35 percent.

Brooks voted country musician of the year

UNIVERSAL CITY, Calif. (AP) - Garth Brooks witnessed the birth of his second child, then moments later won his fourth consecutive country music entertainer of the year award.

Comedian Jay Leno, decked out in a blue rhinestone-encrusted suit and a five-gallon hat, presented the award at Tuesday's 29th Annual Academy of Country Music Awards. Brooks was in Nashville with his wife, Sandy, for the birth of their daughter, August Anna.

"If Garth Brooks thinks being with his wife when she's having a baby is more important than a piece of plastic and metal, I don't know where his values are," Leno joked as he held the trophy.

Moments earlier, Dick Clark had announced that Brooks and his wife were parents of a girl. August Anna is their second child.

Earlier in the evening, Alan Jackson got to do double duty as one of the awards show's hosts and as a winner of two trophies, for best single and best album.

"Well, it sure takes the edge off that hosting job, I'll tell you that," a seemingly flustered Jackson told a cheering audience at the Universal Amphitheatre after collecting the best single award for his foot-stomping, summer-fun tune

"Chattahoochee." Later, he won the best album award for *A Lot About Livin' (And a Little 'Bout Love)*.

Jackson and co-host Reba McEntire were the night's most-nominated performers, with seven nods each.

The academy gave John Michael Montgomery the trophy for best new male vocalist, then picked his song "I Love the Way You Love Me" as best of the year.

"It feels heavy and nice," Montgomery said, clutching a trophy backstage. "I like it."

Oklahoma's Vince Gill won his second consecutive male vocalist award. Singer Merle Haggard, who has won 15 ACM awards - more than anyone else - presented the trophy.

"To be presented this award by Merle Haggard is one of the greatest thrills of my life," Gill said.

Wynonna won her first award as a solo artist when she was picked female vocalist of the year. Her mother, Naomi, who performed with her daughter until 1992 as part of the duo The Judds, accepted.

The Judds won eight ACM trophies between 1985 and 1992. Garth Brooks' political anthem, "We Shall Be Free," was picked video of the year.

Children's author Scarry dies at 74

GSTAAD, Switzerland (AP) - Richard McClure Scarry, whimsical author and illustrator of popular children's books, has died of a heart attack, his wife said Tuesday. He was 74.

Scarry's books, illustrated with gentle-looking puppies, kittens, rabbits, pigs and other creatures sometimes driving bizarre vehicles, have sold more than 100 million copies worldwide and are translated into as many as 30 languages, said Patricia Murphy Scarry.

A project is under way to make videos based on the books, she said.

Princess Stephanie gives birth

MONACO (Reuters) - Princess Stephanie of Monaco gave birth to a girl yesterday at a hospital in the principality, officials said.

"Mother and child are both fine," a spokeswoman for the family of Prince Rainier said.

The child is the second born to Stephanie, 29, and her companion, former bodyguard Daniel Ducruet.

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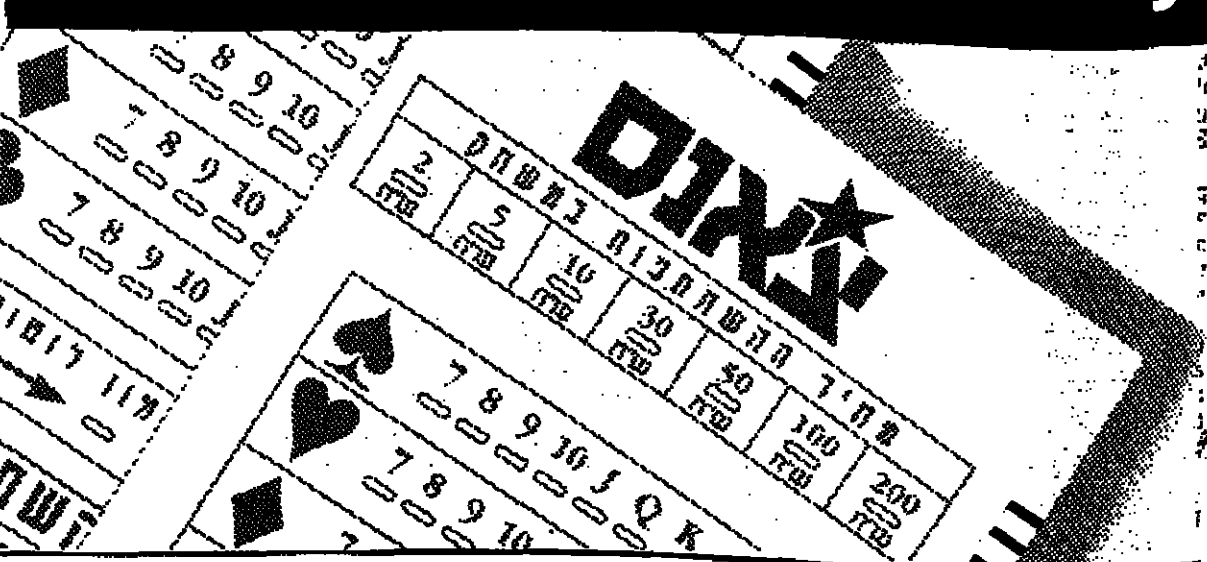
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Heavy shelling duels in Kigali

NAIROBI, Kenya (AP) — Army and rebel gunners waged a fierce duel in Rwanda's capital yesterday, pounding the center of Kigali and the airport with intense mortar fire.

"Oh my God, the shrapnel is coming into the building. I see people running for cover," UN spokesman Abdul Kabia said by telephone from Kigali before scurrying for shelter.

The UN headquarters in Kigali is about 500 meters from the parliament complex that Kabia said had come under withering shell fire yesterday morning.

Mortar rounds also slammed into the airport as UN officials tried to evacuate three peacekeepers wounded by shelling Tuesday, two seriously. Kabia said both sides heeded a UN request to halt the airport shelling just long enough to fly out the wounded.

All UN efforts to arrange a cease-fire between the Hutu-run government army and the mostly Tutsi rebel Rwandan Patriotic Front have been unsuccessful.

It was no longer clear if the army command was in control of some of its forces in the capital.

Soldiers and militiamen ignoring a safe-conduct guarantee from the army chief of staff hacked and severely wounded seven Tutsi refugees with machetes as UN soldiers tried to evacuate them to the airport late Tuesday.

After a tense two-hour standoff, the soldiers and militiamen prevented peacekeepers from evacuating 62 people with visas to third countries from the Milles Collines Hotel to the airport, Kabia said.

Soldiers and militiamen stopped the convoy about a kilometer from the hotel, forced some refugees out of the trucks, looked through their suitcases and attacked seven of them with machetes, he said.

There was no plan to try to move the 62 people to the airport yesterday or to evacuate about 240 other Tutsi refugees at the hotel to safer locations, Kabia said.

The British-based aid group Oxfam said the month-long slaughter in Rwanda may be the world's worst since the Khmer Rouge massacred more than 1 million Cambodians in the 1970s. It pleaded with the United Nations to send troops back into Rwanda to protect civilians.

At least 100,000 Rwandans have been killed since Rwanda's president, a member of the majority Hutu ethnic group, died in a plane crash April 6 in Kigali, UN Secretary-General Boutros Boutros-Ghali has said the death toll may approach 200,000, out of a population of 8.5 million.

But the number of slain may run up to 500,000, most of them minority Tutsis, said Oxfam director David Bryer, citing reports from his colleagues working with Rwandan refugees who have flooded into neighboring countries.

"If this is confirmed, it will represent genocide on a horrific scale. With a level of killing the world has not seen since Cambodia in the 1970s," Bryer said in a letter to British Prime Minister John Major urging international intervention.

Twenty-one orphans were slain by militiamen in Butare on Sunday, along with 13 Rwandan Red Cross workers who tried to protect them, the Red Cross said Tuesday.

The Belgian Red Cross said the children — ages 3 to 12 — were "selected on an ethnic basis" from a group of 500 orphans evacuated last month from Kigali, about 80 kilometers to the north.



Wounded Azerbaijani soldiers wait aboard a helicopter to be lifted to the capital Baku, after fighting near Nagorno-Karabakh on Tuesday.

More forces sent to Nagorno-Karabakh amid intensifying diplomatic efforts

MOSCOW (AP) — The longest-running ethnic conflict in the former Soviet Union appears to be intensifying.

Even as Russia threw its political weight this week into a new effort to end the war on its southern flank, the two sides in the Nagorno-Karabakh conflict were sending fresh recruits into battle.

Hundreds of people were killed and 50,000 left homeless in heavy fighting around the mountainous enclave over the last three weeks, according to the International Committee of the Red Cross.

The surge in fighting cast a shadow over the latest negotiating efforts, particularly since numerous previous cease-fires and mediation efforts have failed. Parlia-

mentary leaders from Russia, Azerbaijan, Armenia and Nagorno-Karabakh were gathering for a meeting on the six-year war yesterday in Bishkek, Kyrgyzstan.

Confined at first to the borders of Nagorno-Karabakh, which is populated mostly by Christian Armenians but located inside predominantly Muslim Azerbaijan, the war took on new dimensions last year with the seizure by Armenian forces of territory outside it.

Armenian separatists now seem determined to build a security belt around Nagorno-Karabakh and capture more Azerbaijani lands to serve as a possible bargaining chip.

Azerbaijan pins its main hopes on peace talks that may at last force an Armenian retreat to the

enclave.

Meanwhile, the death toll climbs daily and now exceeds 20,000, based on combined Armenian and Azerbaijani estimates. The number of refugees has swelled to more than one million.

Armenia still officially denies involvement in the hostilities, but reports from that country say it is sending a steady stream of volunteers, including army reservists, to back the separatists in Nagorno-Karabakh.

Many are eager to fight for the land they see as the historic cradle of Armenian culture and statehood. Others likely are lured by wages of about \$3 a month, a pittance but still well above the average Armenian's pay.

Azerbaijan, too, has sent thousands of new troops into battle since winter.

Last month, police and military patrols rounded up draft dodgers and deserters on the streets of the capital Baku, dispatching all men under 45 without exemptions to the front. Azerbaijani opposition condemned the government-ordered sweep as illegal and some military officials questioned the wisdom of sending reluctant soldiers to fight.

But the mood is slowly changing. Azerbaijani observers say the lack of motivation that contributed to the Armenians' string of victories is being replaced by the grim realization there might be no alternative but to fight in earnest.

European Parliament votes in four more countries

JANET McEVROY
STRASBOURG, France

THE European Parliament yesterday overwhelmingly approved European Union plans to admit Austria, Finland, Norway and Sweden to the 12-nation bloc.

What had originally promised to be a nail-biting vote, turned into a massive welcome for the four and endorsement for plans to extend the Union to 16 members stretching northwards beyond the Arctic Circle and along Russia's western border.

"I'm very happy. It has been a long effort so now I feel appeased. I did expect a success but not this big a success," Greek European Affairs Minister Theodore Pangalos, who concluded entry talks with the four on behalf of the bloc in March, told Reuters after the votes.

Austria and Norway were each approved by a vote of 374-24, while Finland was approved by 374-21 and Sweden by 380-21. For the Parliament to give its assent, 259 of the 517-member house had to vote in favor in each case.

Parliament President Egon Klepsch told a packed, applauding chamber the vote in favor of extending the EU would increase confidence in the assembly only six weeks before its elections. "You are very welcome to the European Union," he told the candidates.

The "yes" removes only one hurdle to EU enlargement and throws the spotlight on the four countries which must gain the backing of the populations in referendums, the outcomes of which are far from certain.

"It is a large warm-hearted invitation to join us. It's up to them to decide," Pangalos told a news conference after the crucial vote.

He also forecast the EU's 12 national parliaments would have no difficulty in ratifying the accession deals.

Diplomats have previously expressed doubts that they can all do so by next January 1, the planned date for enlargement.

The large "yes" vote came as a surprise after months of threats by members of the Strasbourg-based parliament to veto the enlargement plans unless they went side by side with an overhaul of the EU's institutions.

"This result surpasses all our expectations. We never dreamed there would be this kind of successful result," Pangalos said.

Faced with a potentially embarrassing rejection, political party leaders had lobbied support to prevent the parliament taking the blame only weeks before its own elections in June.

Europeans to vote on currency design

STRASBOURG, France (Reuters) — The European Parliament yesterday put forward 19 possible designs for Europe's currency of the future and sought advice from the public on what its coins and paper money should look like in five years.

Europeans will be asked to vote for their favorite design in a poll to be published in some 15 widely read magazines published across the continent. Egon Klepsch, president of the European Parliament, told a news conference.

The Maastricht Treaty provides for the creation of a single currency for all members of the European Union by 1997 — or 1999 at the latest. If the plan succeeds, the member nations of the European Union would all rely for their currency on the ECU or European Currency Unit, which is currently used by the EU for its financial account-

ing. The ECU's value is based on a basket of EU currencies.

Klepsch released 10 potential designs for paper money and nine possible models for coins.

Among the proposals were works by Michelangelo and Botticelli, ancient historical and mythological figures, abstract symbols and portraits of Rembrandt and Robert Schumann, one of the founders of European unity.

In the public-opinion poll, the estimated 100 million readers of the 15 magazines officially publishing the proposed designs will be asked to vote their choice by postcard.

The poll results, expected some time next year, will not be binding. The final decision will be up to the European Monetary Institute, an EU agency that will become Europe's central bank if the unified currency plan succeeds.

S. Africa's drawn-out election count on hold

JOHANNESBURG (Reuters) — South Africa's long-drawn-out election count remained on hold yesterday, after allegations of electoral fraud and a case of tampering with the computer collating the results.

No results had been announced 24 hours after the Independent Electoral Commission (IEC) running last week's historic all-race elections put reporting of the count on hold.

Figures released on Tuesday night with 53 percent of the ballots counted gave Nelson Mandela's

African National Congress a solid 62.5 percent of the national vote. The National Party of F.W. de Klerk, Africa's last white president who will hand over power to Mandela before a world audience next Tuesday, trailed with 22.1 percent. The National Party, however, won control of the new Western Cape province.

Mangosuthu Buthelezi's Inkatha Freedom Party, which claimed victory yesterday in the Zulu heartland of KwaZulu-Natal, had 8.3 percent of the national vote.

The ANC accused Inkatha of massive electoral fraud in KwaZulu-Natal, and reiterated the charge after the IEC said that thus far "no evidence has emerged of any coordinated 'widescale' fraud having occurred in the province."

IEC chairman Johann Krieger meanwhile told a news conference that official vote tallies in its computer collating the results had been tampered with on Tuesday.

But he quickly added: "It made a very trivial difference to the [voting] information that has been released."

IEC officials said the tampering affected two political parties, which they refused to name.

A party needs one quarter of one percent of the total vote to win a seat in the 400-member National Assembly and 5 percent to qualify for a cabinet place in the new government of national unity.

Buthelezi told reporters in Uthuli, former capital of the now defunct KwaZulu black homeland adjoining Natal, he would accept the election result if everyone else did the same.

Singapore reduces lashing sentence of American teenager

SINGAPORE (AP) — An American teenager convicted of vandalism will be lashed four times instead of six, but his father yesterday decried Singapore's refusal to spare him the "barbaric punishment."

Citing close relations with the United States, the government reduced Michael Fay's sentence, noting that President Clinton had publicly commented on the case three times.

"To reject his appeal totally would show an unhelpful disregard for the president and the domestic pressures on him on this issue," a statement said.

Thus, it said, the Singapore cabinet has advised President Ong Teng Cheong to

reduce the sentence to four strokes with a long switch. The president must act on the advice of the Cabinet. The statement did not say when the excruciatingly painful lashing would be carried out.

Fay, 18, now is serving a four-month jail term. The high school senior was found guilty of spray-painting cars and other acts of vandalism last October. Several other youthful expatriates were arrested and some face similar charges.

Fay's slim last hope to escape the lashing is to be declared medically unfit. A doctor is present when the beating with a rattan rod is administered.

Michael's father, George Fay, said the

reduced sentence "changes nothing, as far as I'm concerned. It is barbaric punishment for a crime not committed."

Speaking by telephone from his home in Ohio, he said he would consider suing the Singapore government for "hundreds of millions of dollars," then giving any money he wins to charity.

Fay's American attorney, Theodore Simon, described the four strokes of the reduced sentence as "torture, torture, torture and torture." He called the case "a gross miscarriage of justice." Fay and Simon say his confession was coerced.

Fay has lived in Singapore since 1992 with his mother, Randy Chan, and stepfa-

ther Marco Chan, who told reporters waiting at their luxurious apartment complex that they were upset by the government decision and did not want to comment further to the press.

The sentence reduction came as a surprise. Senior government officials have repeatedly said that giving in to US pressure would undercut their authority.

Fay pleaded guilty last month to two charges of vandalism, two of mischief and one of possessing stolen property. Three skin-splitting lashes of a rattan cane are mandatory upon conviction for each vandalism charge. Fay also was sentenced to four months in jail and paid a fine of 3,500 Singapore dollars (US \$2,244).

"On the merits of the case, [the cabinet] found no special circumstances to justify commuting the sentence of caning," the statement said. "The government cannot exempt him from all six strokes without undermining its ability to enforce future caning ordered by the courts."

The caning is done with a 1.2-meter (four-foot) switch. The business end is first soaked in water to prevent the bamboo from splitting and embedding splinters in the bare buttocks.

Prisoners are strapped tightly to a wooden trestle, body bent forward at the waist. The lower spine and internal organs are protected by padding from the blows.

For Jews of India, it's almost the end of the line

TOM TUGEND
NEW DELHI

JEWISH travelers are rarely more welcome than at the 400-year-old Pardesi Synagogue in Cochin, a port city near the southwestern tip of India.

"By the grace of God, foreign Jews show up so we can have a minyan," said Jackie Cohen, the 77-year-old caretaker of the Sephardic synagogue standing at the end of Jew Town Road.

Five decades ago, there were five synagogues and 2,500 Jews in Cochin. Today, the community numbers seven families with 22 members who have not eaten any meat since the last kosher butcher departed 15 years ago.

The first Jews in India were sent by King Solomon to find timber for his Temple in Jerusalem, Cohen asserted. Pedantic historians might disagree, but there is ample proof that Jews settled on India's west coast, south of Bombay, at least 1,000 years ago.

"Ten to 15 years from now," predicted Cohen somberly, "there will be no more Jews in Cochin and we'll turn this synagogue over to the Indian government as a museum."

The modern watershed year in the millennium-long history of Indian Jewry was 1948, when the establishment of Israel heralded to the country's religious Jews the promised return to Jerusalem.

A year earlier, the blood-drenched birth of an independent India, and fear of a socialist gov-

ernment, had propelled the country's Jewish merchant princes to depart for Britain and other English-speaking nations.

Within a few years, nine-tenths of India's Jews had left, reducing the Jewish population from roughly 50,000 in 1947 to 5,000 now.

This mass migration was unique in Jewish history because it was not rooted in persecution or discrimination by a hostile majority. Indeed, during well over 100 interviews with Jews in Bombay, Calcutta, New Delhi and Cochin, not one could recall a single personal instance of antisemitism in India's history.

The three main strata of India's former Jewish society, which emulated India's caste system, joined in the exodus.

But the poorer went mostly to Israel, while the wealthiest Jews, who identified most closely with the British colonial regime, opted mainly for London, Sydney, Australia, and Canada.

At the apex of the Jewish "caste" system were the so-called Baghdadis, Jews whose ancestors came from Iraq, Iran and Syria in the 19th century.

Led by the fabulously wealthy "Rothschilds of the East," they quickly made fortunes in cotton, jute or tobacco-processing —

and in the opium trade with China.

The Sassoons endowed Jewish hospitals, schools, synagogues and old-age homes, which still bear their name although now are largely filled with Hindus and Moslems.

A step below were the "white Jews" of Cochin, whose ancestors were thought to have come from Spain and Portugal after the 1492 expulsion.

The bulk of India's Jews, then as now, consisted of the Bene Israel, who tended to be small businessmen, artisans, clerks — as well as excellent soldiers and officers in the British colonial army — who claim descent from Jews fleeing the Land of Israel after the destruction of either the First or Second Temple.

On the bottom rung were the generally poor "black Jews" of Cochin, whose ancestors may have come from southern Arabia.

Until the 1948 exodus, each of these subcommunities maintained its own synagogues and rigid social boundaries, but shrinking numbers of Jews have led to desegregation by default.

"If we were to discriminate now, there wouldn't be anybody left," said one prominent Bagdadid in Bombay.

While the last official census was taken in 1981 and all population figures in this teeming subcontinent of close to 900 million people are suspect, it is estimated that about 4,000 Jews live in Bombay, where they work mainly in business, the professions or in government service.

Although there is no single full-time rabbi in Bombay, nor in all of India for that matter, three good-sized synagogues and a half-dozen smaller ones still operate.

The American Jewish Joint Distribution Committee maintains an active welfare program for the aged and indigent in a community that — historically accustomed to the charitable munificence of its wealthiest families — has evolved no real structure to care for its own.

The Bombay Zionist Confederation meets three or four times a year while the Organization for Rehabilitation through Training, or ORT, still operates separate schools for boys and girls, though few Jewish students remain.

During the last two decades, the Jewish population of India has largely stabilized. Those remaining usually have relatives in Israel but feel substantially comfortable, both economically and psychologically, in India.

The establishment of an Israeli Embassy in late 1992 has given the permanent community of some 40 Jews a badly needed shot in the arm.

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Theater of the absurd

THE mini-crisis created by Yasser Arafat at the Cairo signing ceremony yesterday was clearly a contrived show. It was done with the full knowledge that not only the world, but the "Palestinian street" was closely watching the proceedings.

Breaking all protocol and custom, and disregarding both the station of his fellow signatories and the solemnity of the occasion, Arafat refused to sign one of the appendices to the agreement. The world may have seen this stunt as a farce, a tantrum thrown by a capricious leader. But to the "Palestinian street" it must have appeared as the bold act of a determined revolutionary who cares less about convention than his people's aspirations.

It is easy to dismiss this show as a silly footnote to the proceedings, a forgettable glitch in an historic moment. There is no doubt, as chief negotiator Amnon Shahak said last night, that Arafat knew precisely what was in the agreement well before he put on the theatrical mime on the stage of the Egyptian hall. Nor was this the first time he pulled a last-minute twist.

In April 1986 he stunned King Hussein by refusing to sign a pact with Jordan which had been concluded to the very last detail. On September 13 last year he insisted at the last minute on changing the Declaration of Principles to designate the PLO, rather than the Palestinian delegation, as the signatory. After the early February negotiations in Cairo he attempted to avoid signing the agreement, and signed only after Egyptian president Hosni Mubarak caught his evasion. One can only wonder what would have happened if Prime Minister Yitzhak Rabin had not been alert enough to notice Arafat's missing signature yesterday. As it is, Arafat finally signed, only after adding a long demurrer to the text.

This pattern of conduct does not bode well. It means that for all the transformation Arafat has supposedly undergone, he is not yet willing to play by the rules. His evasions and whims, added to his failure to live up to his pledge to denounce and combat terrorism and change the PLO covenant, make the prospects of the agreement less than promising.

Two PLO moves which became known yesterday gave some indication of the difficulties ahead. Rabin announced that Arafat had asked him to delay the withdrawal of the Israeli army from Gaza and Jericho until the PLO police could get organized and effect the

transfer of power in an orderly manner. For an organization that has fought for Israel's withdrawal for almost three decades, this is a strange request indeed. As Rabin put it, instead of wasting untold hours on peripheral details, the PLO should have prepared a transition team.

What Arafat seems to fear is not the inevitable inconveniences and dislocations which always accompany the change of authority, but uncontrollable chaos. Rabin, who must be just as concerned about the consequences of leaving a vacuum of authority in the Gaza District, has agreed to postpone the evacuation by two to three weeks. Whether such a relatively short postponement will suffice to allow the PLO to organize is still questionable.

Another move by the PLO is even more puzzling. According to the organization's most senior sources, all contracts between Gaza institutions and Israel will be null and void as soon as the transfer of power is completed. This may mean that hospitals that rely on Israeli supplies will be deprived of essential medicines and equipment, and that the whole population will have no electricity and water. The dependence of the district on Israel, and the level of Israeli services its inhabitants enjoy, may make such instant separation disastrous.

Such declarations, like Arafat's insistence on acquiring as many symbols of independence as possible, clearly stem from his desire to make self-rule resemble sovereignty instantly. Though Rabin said yesterday that he believed the Palestinian entity should be only "a state of sorts," it is quite obvious that once Israel departs, the evolution of the autonomy into a state will be inexorable.

Those who support the agreement with the PLO must know by now that for all the talk about a trial period, the process - if allowed to apply to the rest of Judea and Samaria - is well-nigh irreversible. This is recognized by opponents of the process, too. The difference between the two camps is that the first believes the Palestinians will be satisfied with a state at the 1949 lines and live in peace with Israel. The second finds it difficult to believe that an organization led by people who throughout their lives have sought the destruction of Israel will suddenly become pacific. If the record of Arafat and the PLO since the process began is any indication, the first camp's optimism may prove not only extravagant but tragic.

LETTERS TO THE EDITOR

BUM RAP

Sir, - David Makovsky in his *Comment* of April 24, is off base when he tries to link Richard Nixon to Henry Kissinger's "villainy" during the Yom Kippur War.

Nixon, in the middle of the Watergate crisis and fighting desperately to prevent Congress from going forward with impeachment proceedings, was kept "out of the loop." It was Kissinger who saw the opportunity for advancing his geo-political agenda. And it was Kissinger who held up delivery of arms and equipment to the hard-pressed Israeli forces during the first days of the war.

In an article published in *Commentary*, September 1974, Professors Walter Laqueur and Edward Luttwak put the lie to Kissinger's claim that Secretary of Defense James Schlesinger was responsible for holding up arms deliveries.

Admiral Elmo R. Zumwalt, then Chief of Naval Operations

and a member of the Joint Chiefs of Staff, writes in his autobiography, "...Henry Kissinger, in his familiar role as a 'Senior Official,' has let it be known that his effort to resupply Israel fast was frustrated by Secretary Schlesinger who feared to antagonize the Arab oil producers. This tale is just a tale, and an extraordinarily disingenuous one at that. It was Henry himself who stalled the airlift."

Finally, it was Kissinger who, together with the Soviets, forced a cease-fire after Israeli forces had overwhelmed the Egyptians. Israel was denied its victory.

Mr. Makovsky is entitled to criticize Nixon posthumously, if he wishes, but blaming him for Israel's extreme difficulties in the Yom Kippur War is a bum rap.

HERBERT ZWIBON
Chairman,
Americans for a Safe Israel
New York.

INTERNS FOR PEACE

Sir, - In "Commission and omission" (April 17), Rabbi David Forman incorrectly charges that both a Ford-funded study of Interns for Peace (IFP) and the Shamgar Commission of Inquiry into the Hebron massacre were a "monetary extravaganza." Rabbi Forman's anger over the Hebron massacre seems to have blinded him to the reality that commissions and evaluations are essential tools for achieving justice and equality.

The Ford-Foundation-funded study of Interns for Peace by the late Dr. Sami Khalil Mari was an extremely wise social investment. The IFP-Ford Foundation study significantly supported community peace workers to advance Jewish-Arab relations by developing a "third eye" to evaluate how best to invest the IFP's limited resources in people power and funds.

Rabbi Forman belittles the Ford-funded IFP study of the late Israeli Arab academician, Dr. Sami Khalil Mari, by stating that "the \$30,000 could have been better used to hire 10 Interns to work in the field." Forman's denigration avoids the truth that the Ford grant was for \$25,000 of which \$16,000 went to 12 Interns over a two-year period to write their monthly protocols (valuative reports) and \$9,000 (\$4,500 per year) went to Dr. Mari to evaluate these Intern protocols with fellow Haifa University sociologists, Dr. Sami Smoocha and Dr. Majid Il Haj, who consulted on a pro-bono basis as they wanted to help IFP.

RABBI BRUCE M. COHEN,
International Director/Founder,
Interns for Peace
Tel Aviv.

TRANSFER RATES

Sir, - Travel agents quote the price of flight tickets, hotels and various tourist services rendered abroad in dollars - a reasonable procedure in view of the ever-depreciating shekel.

Questionable however, in my opinion, is the travel agents practice of debiting their clients at the higher (seller's) exchange rate for cash, instead of the transfer rate. As any money transferred abroad by anyone entitled to do so is charged by all banks at the transfer

rate, the travel agents seem to have found an easy way for an unwarranted, easy profit of about 1.5 percent on their total turnover.

Believing in a free market economy, I think travel agents are entitled to charge for their services what clients are ready to pay without resorting to an unethical trick played on those clients not familiar with currency rates.

A. KARNON
Tel Aviv.

FLAWED PARABLE

Sir, - I very much enjoyed reading Shaya Karinsky's article of April 18 ("I have no other buyers"). However, there are a number of flaws in his parable.

First of all, his "friend" is not selling "his" home, but rather "our" home. And the brick that the gangster threw did not go through his friend's window, but rather our window.

Secondly, the property did not really go down in value. In fact, most of the property, if taken care of properly by the proper owner, is worth way more than the original purchase price.

Which brings us to the third and most important point. There is another buyer, one who would really fix up the place, if given the chance, to be a true palace. However, our "friend" will not sell to this other buyer, at any price, because the other buyer is Jewish.

Of course, we must remember that we were the ones who gave the power of attorney to sell our home to our foolish "friend" in the first place. We are to blame. The question is, how many deaths will it take before we take back that power of attorney?

DAVID LERNER
Jerusalem.

LAWRENCE FRUPPIES

Sir, - At a time when antisemitism is on the rise globally, I question your prudence in publishing an article so full of blatant hatred and mockery toward fellow Jews as "An embarrassment of riches" (April 29). What good can such views possibly promote? Why does Ms. Gross take such pleasure in maligning an entire community? Contrary to the picture painted by Ms. Gross that "Lawrencian fruppies" are mindless conspicuous consumers, the residents of Lawrence graciously open their homes for fund-raising to charities ranging from camps for children with cancer to orphanages both in the United States and Israel, to hundreds of veshivot and countless worthy organizations.

One of the lessons that our Tora institutions teach is that *Lashon Hara* is a sword that kills. Ms. Gross has committed murder of the residents of our town and I condemn your paper for being a partner in her crime.

BONNIE SEPTIMUS
Lawrence, New York.



Victory for self-interest

ABBA EBAN

THE agreement signed yesterday in Cairo means that the Middle East peace process is going to be implemented despite all attempts to derail it. It is a victory not for virtue or conscience but for reciprocal self-interest. It has become possible because the Palestinian and Israeli leaderships have awakened from illusions.

The mainstream Palestinians, after years of trial and error, must know that their prospect of freedom is contingent on Israeli security. This perception owes much to American policy which, under the Bush and Clinton administrations, has made Israel strong enough to accept courses not politically feasible before.

Most Israelis now understand that the greatest of all fallacies is the idea that one nation can rule another without consent. What the British could not do any longer in India or the French in Algeria or the Dutch in Indonesia or the Belgians in Congo or Rwanda or the Soviets in Afghanistan or the Americans in Vietnam or the South African whites in South Africa has also become impossible for Israel, despite ancient Jewish memories and pieties.

Israel is not a colonial newcomer to the land of its national birth, but it is undoubtedly alien to the people whom it holds under rigorous military rule. The peace process gives Israel a chance to redeem its own democratic identity.

It is not in the nature of democracies to rule more than 1.8 million members of a different nation without offering them either equal justice as citizens or a chance to establish their own separate jurisdiction.

After 27 years of military rule, the West Bank and Gaza are among the most chaotic, explosive and socially incoherent areas in the world. Ethnic identity is the pervasive criterion for the application of flagrantly unequal enactments. It was largely in order to liberate Israel from this incongruous condition that the government received a mandate in 1992 to establish a Palestinian self-governing authority as the first cautious stage toward equality of rights and coexistence.

THE CAIRO accords are irreversible. Despite his boasts and threats, Likud leader Benjamin Netanyahu will never have a chance to lead Israeli occupation forces back to Gaza and the West Bank to re-create the kind of repressive and discriminatory regime that will by then be obsolete even in South Africa.

Indeed it was Menachem Begin who first accepted the principle that "the Israeli military government and its civilian administration will be withdrawn as soon as a self-governing authority will be freely elected by the inhabitants of those areas (the West Bank and Gaza) to replace the existing military government."

Begin even "appointed" Israel, Egypt, Jordan and the Palestinian leaders to determine "the final

status of the West Bank and Gaza and their relationships with their neighbors." This is a clear territorial reference.

(Last week Henry Kissinger repeated to me his view that a Palestinian state has been inevitable from the moment Begin signed the Camp David accord.)

No government has a watertight formula against individual violence, but the peace process has greatly transformed Israel's overall economic, security and diplomatic situations.

The number of states maintaining or seeking relations with Israel has jumped from 40 to 120. Israeli isolation is a thing of the past. At the same time, the Gulf war, the collapse of the Soviet Empire and the arms sales authorized by the Bush and Clinton administrations have assured Israel of an unprecedented predominance in the strategic balance.

Treaties already formulated with Jordan, and likely to be concluded with other negotiating partners, open spacious horizons for economic growth similar to that achieved by the newly industrialized nations on the Pacific Rim. Openings in the Arab states of the Gulf are already beginning to appear. So are possibilities of trade and cooperation with the former Soviet republics, including those that are faithful to Islam.

Israel's liberation from the burdens of ruling over a foreign nation will enable the Palestinians to advance toward self-government and thereafter to possible evolution to more advanced forms of independence. This must involve a purposeful decision on the PLO's part to thwart terrorist assaults. Skeptics should not doubt this possibility before the physical and technical opportunities have even been provided.

The fulfillment of the peace process will not immediately bring utopia, but its failure would create an inferno of violence and despair.

Much depends on the willingness of the US to carry the momentum forward in Syria and Jordan.

The writer is a former foreign minister and a former ambassador to the US and UN.

Mirror image

LEON MOSS

I have a project this weekend. I am going to remove all three rearview mirrors from my car. I no longer have any use for them.

I prefer not to look at the enraged face of some impatient driver who cannot wait to pass me when I am cruising along a little above the legal speed limit.

From my very first driving lessons, my teacher said: "Don't mess about on the road! If the sign says 100 kph - drive 100!"

Keeping your speed down is a little difficult with the high-performance cars they make today. So, like everyone else, I cheat. But only a little. And the authorities don't mind - or, if they do, they never do anything about it.

So traveling along at 100 kph, or perhaps 110 in a 100 zone, why do I feel I am the only one driving near the legal limit? And why am I the road-hog holding up the long line of impatient honkers behind me?

And if I should end up behind a slow truck, why do I have to watch some imbecile four cars back decide that he is going to pass the whole line in front of him without a thought for the others trying to pass first?

Once I've taken off my mirrors, I won't know about them any

I reckon I stand a better chance on the road if I can't see those maniac drivers behind me

more. Another source of road anxiety will have been eliminated.

On our few double-lane roads, there usually isn't a problem. You can drive at the speed limit while cars, trucks and buses flash past in their frantic rush to arrive yesterday.

But on a single-lane road such as the "back" road from Jerusalem to Lod, which is partly straight and clear and partly winding with many blind corners, there is a problem.

OUR ROAD authorities have tried to solve the problem in an ingenious manner.

They have built wide shoulders which, presumably, will one day become extra lanes. They have marked these shoulders with a broken yellow line, instead of the old solid one we knew so well.

This means you can move into the shoulder area if necessary. Only thing is, the first marking of the broken line wasn't successful, so they went over it a second time. Unfortunately, in many places the new dashes of paint didn't cover the original ones, so now we have a solid broken line.

Now, when Mr. Frantic wishes to pass you, and assuming you can understand his signals, all you have to do is pull over into the shoulder area - if you also understand the line markings. It seems to work quite well.

I only hope it's safe in the once-forbidden territory, and that no one from a different municipal department came back after the markers had left and built a concrete storm-water culvert projecting into it.

There seem to be a lot of dead cats in that area. They probably also assumed it was still safe there. And what ought one to do about the poor guy parked in the shoulder area trying to change his tire?

While I drive along at the legal speed limit, minding my own business and intent only on reaching my destination in one piece, I have no wish to be distracted by continuously flashing lights, illegible hand signals and the angry expressions of the apologetic in my mirrors. It is my right to obey the law, and I won't be punished for it.

I also have no wish to see the cars that are driving a meter off my tail. I am less likely to make an error if I don't know they are there.

There are two other mirror images I can do without. One is the motorcycle coming up from the rear at high speed. Why do I always think he's about to pass me on the wrong side?

The second is the wall-to-wall image, in all three mirrors, of an angry bus driver about to sweep me off the road instead of passing me.

So come the weekend, it's off with those mirrors!

The writer is a Jerusalem-based freelancer.

PICTURE POSTSCRIPT



This photo of a robin landing on a dripping garden tap won the Amateur Photographer of the Year award for 1993. Photographer John Watkins, of Woodford Bridge, England, spent two years perfecting the shot. (AP)



Turn the tables on his bullying mama

DEAR RUTHIE

RUTHIE BLUM



Dear Ruthie,
Once a year my mother-in-law comes for an extended stay with us in Israel. We built a "granny flat" above our house especially for her.
My problem is that the harder I try to please her, the more she puts me down. She criticizes my cooking, my job, the way I raise the children.
Her next visit is due, and I find myself cleaning and cooking... and worrying. Every year I get more determined to evoke a kind word or smile from her. How should I go about this?

Mother-in-Law Manic
Somewhere in Israel

Dear Manic,
If the harder you try the more you fail, I'd suggest you stop trying. By now, you and your mother-in-law have a set script, which you both follow faithfully. The more successful you are at your part, the better she has to be at hers.

The only way to get her to stop bullying you is to change the script.

Envision her arrival as the rising of the curtain. Greet her with a different opening line, and continue ad-libbing throughout her visit. If she crinkles a nostril at your food, for example, go to the phone and order her a pizza. You'll be evoking a kind word or smile sooner than you think.

Dear Ruthie,
My job involves a great deal of traveling. I spend a lot of time at conferences in hotels, and have meetings in restaurants. As a result, I have been gaining weight gradually.

And since much of the chitchat at these events bores me by now, I tend to eat more just to pass the

time. Can you suggest a "cure"?
Pressured Presser
Tel Aviv

Dear Presser,
Be more verbal. The more your jaw is flapping, the less it will be chewing. Take notes. The more your hands are occupied with pen and pad, the less they will be groping for the croissants. Play mental games.

When you feel boredom coming on, try to imagine the lives of the people around you - where they live, how they live, what movies they see.

And if all else fails, suck on a sugarless mint when the petits fours come round.

Dear Ruthie,
I am a student with a question: Why can't I study or write a paper in the library or at my desk? I can work only in a crowded cafeteria or on the grass on the busy campus.

Stumped Student
Jerusalem

Dear Stumped,
You could be like the child who doesn't want to go to bed for fear of missing out on something.

Or perhaps your brain functions best when it is forced to shut out noise - something like putting a patch over a strong eye, forcing the weaker one to work harder.

The quiet of a library can have the effect of "scattering" the mind.

Whatever the reason, if your work is getting done, there doesn't seem any need to change your study habits.

Letters should be addressed to: "Dear Ruthie," POB 81, 91000 Jerusalem. (Ruthie regrets not being able to guarantee publication of every letter, but will answer every letter received.)

Untidy Irish minuet of present and past

BOOKS

DAN CRYER

THE END OF THE HUNT by Thomas Flanagan. Dutton/Vintage. 627 pp. \$24.95.

IN Ireland's centuries-old struggle to be free, World War I proved a decisive turning point. While Irish troops under British command dug themselves into trench-graves in France or waded onto Gallipoli's ill-starred shores, Dublin's Easter Rising of 1916 consecrated yet more martyrs for the seemingly futile cause of independence.

In the aftermath of the war, however, Irish guerrillas - as they would be called today - harassed Britain into granting limited home rule. But the Irish Free State was not the independent republic for which so many Irishmen had given their lives. So the truce became not peace but bloody civil war, and Sinn Féin Republicans and home-rule moderates were left to hack away at each other from mid-1922 until exhaustion set in a year later, leaving way for the Free State's limp triumph.

Thomas Flanagan's *The End of the Hunt* offers up these epochal years with magisterial elegance. His third novel based on the tumultuous Irish past, following *The Year of the French* (1979) and *The Tenants of Time* (1988), it paints a panorama of savage beauty, in which history itself acts as grand inquisitor, subjecting humankind to relentless scrutiny. Go ahead, try your little schemes, taunts this inquisitor, but beware the surprising twists of fate, the unintended consequences, the inevitable loss of innocence.

As in his previous books, Flanagan tells his tragic tale from multiple Irish points of view - three representing the diehard Sinn Féin, two on behalf of the moderates.

Frank Lacy, reader of Virgil and shrewd guerrilla strategist, vows to pay any price to push the British out of Ireland. He's a mystery man, with "an edge of violence flickering like St. Elmo's fire," who walks among enemy wounded and calmly shoots, taking no prisoners. Elizabeth Keating is a schoolteacher turned editor who regards compromise with the British as nothing less than treason. Amateur historian Christopher Blake manages public-relations coups for Sinn Féin while masterminding assassinations of enemies, both British and Irish.

Patrick Prentiss, who appeared in *The Tenants of Time* as wary chronicler of the farcical Fenian Uprising of 1867, is an Oxford-educated barrister who lost an arm while serving as a British officer in the Great War. Reared in a moderate constitutional nationalist family, Patrick tries to walk a minefield of conflicting loyalties. Janice Nugent, also of the Irish-Catholic gentry, wishes she, too, could escape the burdens of history. Recently widowed - her husband was killed at Gallipoli - she falls in love with Christopher

Blake and is thrust, against her will, into his netherworld of deception and violence.

ALL THIS may smack of the cheap thriller or synthetic miniseries, but that's anything but the case when Thomas Flanagan is in command. There is no better historical novelist writing in America today. A professor of English at the State University of New York at Stony Brook, Flanagan summons a Galway countryside or Dublin street scene with the keenest of eyes. His ear picks up the inflections of numberless Irish talkers, high and low, not to mention that of Winston Churchill in cameo.

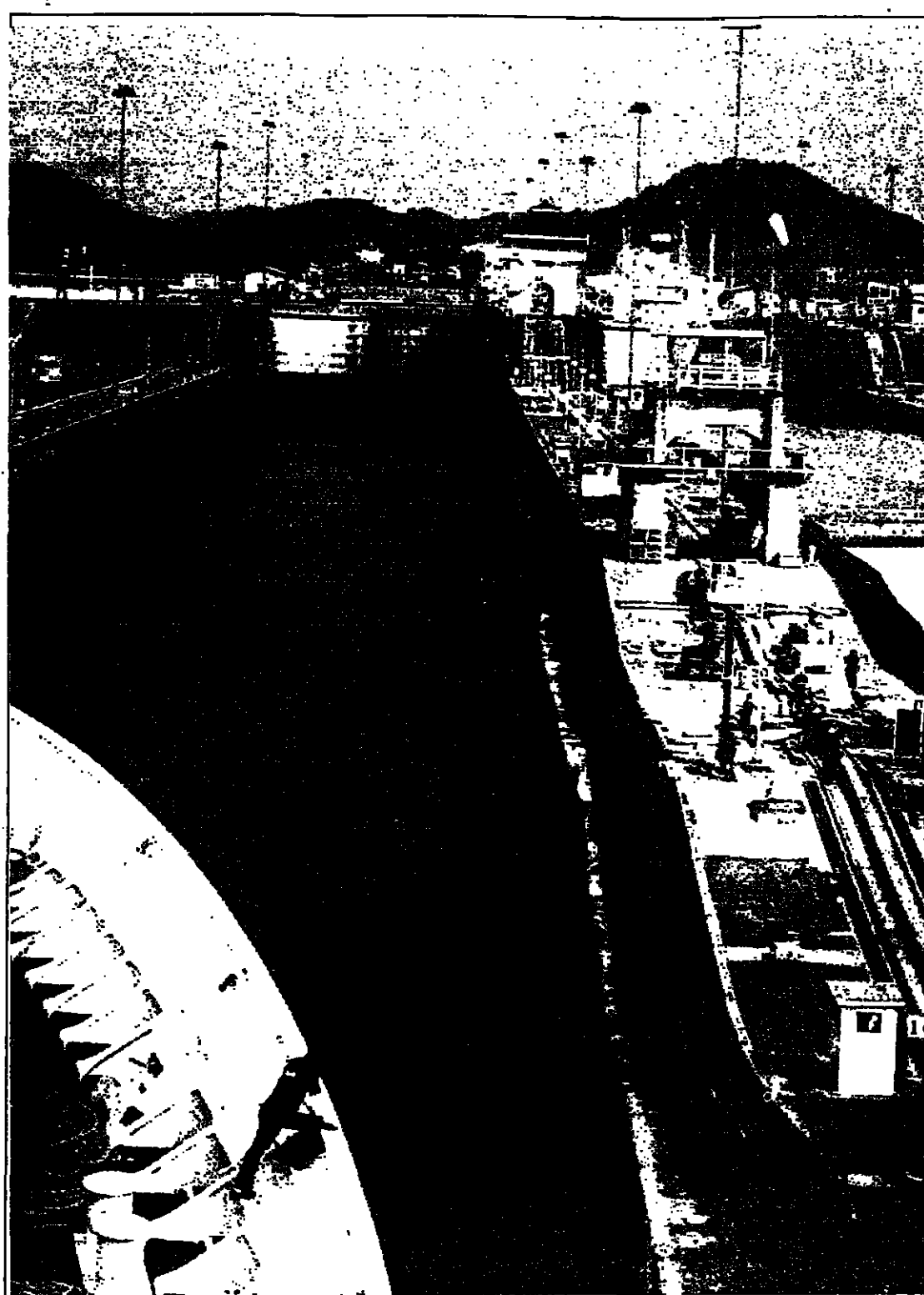
For all the drama of his story - with its countless beatings, killings, bombings and hangings - Flanagan never hurries it. His intent is to portray history's brooding flux, the untidy minuet of present and past forever shaping our consciousness. "In Dublin," he writes, "pasts are not discarded but accumulated.... History folded and refolded itself, layer upon layer of the same pattern."

Flanagan's historical-novelistic meter is the sidelong, fleeting glance. Though we are permitted, say, a brief look at Churchill and Irish leader Michael Collins locked in negotiation - both wit and menace filling the air - Great Events rarely appear on Flanagan's stage. Instead, we hear non-participants debating them, remembering them, analyzing them. We feel their reverberation in belated verse. The result is a kaleidoscopic and mysterious account, the way most of us experience what later is dignified as history.

Among the real-life Irish troublemakers, Collins emerges as the most vivid. A fierce bureaucratic fighter and astute military planner who may also be an opportunist, he subscribes to the view that Bernard Shaw assigned to his munitions maker Undershaft, that "nothing is ever done in this world unless men are prepared to kill each other." Ireland's great tragedy is that many of its own resolve to kill each other. And the killing takes place amid such breathtaking beauty. Here is Frank Lacy on his way to organize, mind you, yet more mayhem:

"Driving westward... there had been for him that rise of the heart as the great cathedral ruins of Cashel rose up, or the broad Shannon, sun-spangled or rain-drenched... rocks circling low above the stones of shattered friaries, nights in sheltered farmhouses, hillside bothies, song weaving outward past turf smoke, tobacco smoke toward star-pierced blackness beyond which lay immensities of red bogland, black bog."

Elsewhere, Elizabeth Keating writes of "the power by which language and passion are joined, language and history." It's precisely this that Thomas Flanagan has in abundance. (Newsday)



Cruising the Panama Canal is a daylong history lesson.

(Lori Damker/The Hartford Courant)

A dip into a canal's history

TRAVEL

MATT DAMSKER

THE great ship was scaling great waves - a profound rock-a-bye, remarkably easy to sleep through.

We were sailing aboard the MS Sagafjord on the far fringe of a Pacific hurricane, its vast ripples lifting and lowering us powerfully yet almost gingerly as we made our way by night from Los Angeles.

It seemed an adventurous opening for a two-week cruise that would roll down the Mexican coastline before slipping from one ocean to the other via the Panama Canal.

The MS Sagafjord is one of the Cunard Line's classically lush cruisers. From the outset the seasoned Norwegian crew was skirting no less than two Pacific storms, mastering unruly seas amid a scenic heaven of thick-foamed, slate-blue water; distant, majestic thunderheads; and a warm sun that peekabooed through misty low clouds.

A day or so later we were in the clear, basking in 26°C calm as we put in at our first port of call, Cabo San Lucas, on the tip of Mexico's Baja peninsula.

Cabo has become a popular resort for jet-setters and young vacationers who prefer rustic Mexican to glitz. At heart, it remains a small fishing village, its harborside markets overflowing with colorful crafts, fresh-caught tuna and shark.

OUR NEXT port, Acapulco, is a paragon of Mexican modernity, of course, but we avoided its upscale enticements and endless rows of designer shops.

Heading into the dense web of the city, we threaded our way through flea markets and settled into a sidewalk cafe at the "zócalo," or main square, for a view of local color and a few rounds of crisp Mexican beer and frothy fruit drinks.

Any Acapulco day-tripper will have a hard time choosing between the prime tourist attraction - La Quebrada, west of town, where the famed cliff divers plunge 40 m. into roiling surf - and a cab ride high above the great horseshoe bay, glimpsing staggering vistas of emerald hills and azure sea.

We chose the latter, closing out the day poolside at the legendary Princess Hotel, with its immense Aztec pyramid motif, head-spinning tequila cocktails and searing green chili enchiladas.

But all that was merely the deco-

radant prelude to the core of our journey, at which point Mexico's Riviera-like glamour gave way to the dark splendor of Central America.

Putting in two days later at Puerto Caldera, Costa Rica, we awoke to a smoldering, mist-shrouded view of tropical forest, thick with sky-scraping trees. This was the rainy season, and the sultry air - it was pushing 32°C early in the morning - invited the refreshment of a river-raft excursion.

An hour's bus ride into the Costa Rican interior brought us to a festive grove alongside the Corobicí River, where a picnic lunch of guava, banana fritters and spicy emollient fortified us for several hours on the occasionally rapid waterway.

In paddle parties of six, and steered by a knowing guide, we set out on a rubber raft, snaking through the Corobicí's jungle terrain, past tangles of exotic growth and the cawing, screeching stereo of colorful birds flitting from riverbank to riverbank.

The low, territorial bark of howler monkeys - their gruff vocals belying their small stature - seemed to challenge us as we passed their well-hidden perches in the trees.

And at 1 p.m., like clockwork, the rains kicked in, dousing us deliciously for a few raucous moments.

This plumbing of Costa Rica's depth put us well in mind of what had lured us to the Earth's midriff in the first place: the Panama Canal transit.

Today, the nine-hour, 80 km. trip is taken for granted, but all it takes is a few hours' mucking through the likes of the Corobicí to realize the enormity of the canal project, its enduring feat of 20th-century engineering taming hostile terrain and shrinking the globe as nothing before it had done.

Indeed, cruising the canal is an unforgettable daylong history lesson and a physical passage on an almost biblical scale.

WE ARRIVED at daybreak at the canal's Pacific entrance, passing beneath the stately elegance of the great Bridge of the Americas, which links the Interamerican Highway from north to south through Panama City.

Clustered on the ship's foredeck, and flanking its rails, cruise passengers are awed by the system of locks and man-made lakes that carry thousands of vessels per year, of every size and nationality, through this shortcut at the center of the map.

The canal's troubled origins are legendary - how the French slaved futilely, from 1880 to 1900, to blast a sea-level passage, while their finest engineers and countless laborers died in droves from mosquito-borne malaria and yellow fever.

The French had to abandon the effort, leaving it to the will of Theodore Roosevelt and the ingenuity of engineers whose far-sightedness still amazes us. They realized that to try to dig a sea-level canal was folly in such mountainous terrain: only by building over Panama's rugged isthmus could the job be done.

After improvements in sanitation helped stave off disease, the job was completed in 10 years, at a cost of \$587 million.

To experience the crossing in a big ship is to truly know the miraculous breadth of the canal. At 25,000-plus tons and 190 m. in length, the Sagafjord (which pays a toll of about \$34,000 for the passage) makes for something of a tight squeeze in the canal's locks, each of which measures 30 m. wide and 310 m. long.

The day was typically sweltering but bright as we passed through the Gaillard Cut, the five-km.-long, ditch-like passage that slices through the rock and shale of the Continental Divide.

From there, the scenic serenity of the man-made Gatun Lake, about 36 km. long, took us to the locks at the canal's Atlantic end. By dusk, we entered the port of Cristobal and then the gently rolling Caribbean.

At that point, we steamed toward Oranjestad, Aruba, off the Venezuelan coast, before our cruise ended in Fort Lauderdale, Florida.

If, in one sense, our cruise had been a series of quick dips into a diversity of cultures, it was also a journey through the heart of the world. (The Hartford Courant)

'Electronic purses' are somewhere in the (plastic) cards

LIFE-STYLE

ALBERT B. CRENSHAW

NOW that credit cards are in the hands of virtually every living, breathing adult in the US - not to mention a lot of children and the occasional family pet - and now that almost as many people have ATM cards, card companies are wondering where future growth will come from.

At Visa International, the answer is: Replace cash with plastic.

Last month, the giant association of card issuers announced it had formed a coalition of banking and technology companies to develop technical standards for a product it dubbed the "Electronic Purse," a plastic card meant to replace coins and bills in small transactions. A second coalition of manufacturers and suppliers will seek to develop low-cost equipment for use with the card.

The concept is much like the magnetic cards used in some city subway systems. Consumers would prepay - or electronically "load" - the card with a small sum, typically \$40 or less, according to Visa officials, and carry it with them to use in pay telephones, highway toll booths, vending machines, parking meters and thousands of other small-ticket transactions.

The card would be reusable. It would contain a memory chip that could exchange information with bank ATM terminals for "loading" and with terminals at vending machines and other places for payments. Visa envisions it both as a stand-alone product and as a feature that could be incorporated into credit or ATM cards.

"There are a number of benefits to different players," in the market, said Albert Cossia of Visa.

In theory, machines that would take the "electronic purse" would be used with small-change kinds of devices, such as phones and parking meters, so for consumers, it would eliminate the problem of having the right change.

In addition, depending on what consumers want and what the technology can accomplish, the

cards might have other features, such as the ability to remember specific transactions so that a consumer could keep track of exactly what he or she spent the money on and where.

For vendors, the card would cut the need for sorting and counting coins and carting them to the bank. The day's transactions would be totaled instantly. Also, vendors would be less likely to lose sales because a customer didn't have change. Since transactions would be electronic, it would also be tougher for employees or others to dip their hands into the till.

But while the idea certainly has appeal, it is far from certain that Visa and its allies can make it fly.

Robert B. McKinley of Ram Research Corp., a Frederick, Md., research and publishing company that tracks the credit-card market, noted that putting in all the terminals and other equipment "has a horrendous price to it." In addition, he said, "smart cards," those with chips in them, have in the past proved expensive to make and easy to break.

Also, a card that replaced all your credit and debit cards as well as checks and cash would become "a gateway to your entire financial being, and without some kind of safeguards," loss or theft of the card could be a disaster, he said.

The card "certainly [could be] a personal financial management tool" and might evolve into a global payment system - Visa's goal - but it has a long way to go, McKinley said. "It's all pretty much concept stuff right now."

Visa concedes that there are major technical and market hurdles to overcome. Cossia said Visa doesn't expect the Electronic Purse to come into widespread use for years. The purpose of the alliance is to develop standards that would ensure that cards and terminals could talk to each other no matter who makes them or what country they are in.

(The Washington Post)

Arkia offers European round-trip specials

TRAVEL TIPS

HAIM SHAPIRO

ARKIA is offering charter flights to London, Paris and Milan for \$349 round trip. The round-trip flights to Zurich and Munich are \$424. These prices are valid until June 18.

According to the company, the flights are in new Boeing jets and the departures are at convenient hours.

The airline also has package visits to Antalya, on the southern coast of Turkey. Prices, valid until June 30 and including half board, range from \$215 for three nights to \$372 for seven nights.

BRITISH AIRWAYS is offering a week package to London for \$763, including air fare. The package - part of its "British Bonus" summer program which includes a wide selection of hotels at various prices - also has a tour of London with a Hebrew-speaking guide.

TOURS OF EUROPE for 17- and 18-year-olds, and for those aged 20 to 35 have been organized by ISSTA, which specializes in travel for students and young people.

A 37-day coast-to-coast tour of the US is selling for \$2,949, including air fare, while a 14-day tour of Italy, Switzerland, France and England is being sold for \$1,499.

The company's 18-day camping tour of France, Italy and Switzerland sells for \$1,479.

TOWER AIR, in conjunction with Cosmos Tours, is offering a series of tours in the US for those

leaving by June 15. A six-day visit to Niagara Falls and Washington is \$1,099, while a 12-day tour of the Eastern US and Canada is \$1,469, including round-trip air fare. Prices include airfare, but not other various charges, including a \$20 registration fee.

PASSENGERS FROM Israel who are booked on American Airlines flights from London's Gatwick Airport to Raleigh-Durham, Nashville, and Dallas airports can check their baggage through from Tel Aviv to their destination in the US, even though they have to transfer from Heathrow to Gatwick airport in London.

EGGED TOURS now has a regular bus service to Hamat Yotv, the hot sulphur spa near Ashdod. The buses leave on Mondays and Wednesdays at 8 a.m. from the Tel Aviv Central railway station. Other buses leave on the mornings of the same days from Holon, Ramat, Lod, Petah Tikva, Rishon LeZion, Rehovot, Ness Ziona and Ashdod. For information Tel. 03-5271212.

INFOTRAVEL International is offering what it describes as a 24-hour information service by telephone. Subscribers, who pay NIS 6 a month and NIS 2 per call, are said to receive complete details, including prices, about such items as hotels, restaurants, sports activities and entertainment. For information, Tel. 03-5323777.



Hadassah-Israel presents this cookbook whose recipes represent the cultural diversity of Israel and the Hadassah chapters in Israel. Over 300 pages of delicious recipes covering the entire culinary experience...from appetizers to desserts. Each section divider also contains a slip pocket enabling you to enclose new recipes as you acquire them. Includes an appendix with cooking conversions, charts, tips and index. Published by Hadassah Israel. Printed at the Hadassah College of Technology. Softcover, spiral-bound.

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Just U's Hawaiian holiday by Zvika Bar brightens up the beach.



Niba's Twenties-inspired layered dress designed by Hagar Rubinstein and Monica David.

Applause for a chorus line

FLAIR

GREER FAY CASHMAN

If audience reaction is a barometer, Niba has a hit on its hands.

Niba's 60th anniversary series of gala fashion shows, brilliantly choreographed by Seth Alan Markell, was punctuated by spontaneous bursts of applause for designs by Zvika Bar, Hagar Rubinstein and Monica David.

The show was entertaining, but Markell made sure the collections by Niba and its subsidiary, Just U, did not take a back seat to its stage production. A chorus line of models stood still long enough for foreign buyers to absorb design concepts and details of garments, but — to prove that the clothes were also comfortable, unrestricting and durable — they performed spirited dance routines.

Even jaded fashion writers were impressed. Borrowing from ethnic traditions, Zvika Bar, Just U's creative force, produced a multi-thematic line of fun fashions with overtones of Hawaii, Bali, India, Africa, China and Latin America. Tie-dyes, opulent glitter fabrics, cheongsams, jungle fatigues, draped and wrapped skirts, and sheer, long-paneled jackets all contributed to Bar's delightful Cook's tour of the apparel scene.

Bar also succeeded in making his khaki and olive-drab creations appealingly fashionable, even for this soldiering country where these shades are all too familiar.

Updated punk and Hell's Angels designs added another dimension to what is easily one of Bar's best efforts to date.

Cognizant that Niba caters to a less flamboyant clientele, Hagar Rubinstein and Monica David introduced a softer, more romantic mood with paneled and layered skirts and dresses, pinafore tops, handkerchief hemlines, flounced petticoats, full-sleeved off-the-shoulder blouses, lavish lace trims and outerwear versions of bouffant and harem lines.

Whereas Just U's line was bright and vivid, Niba's concentrated on delicate floral prints and shades of tea, coffee and cream, with occasional blues and blacks.

Described by Industry and Trade Minister Micha Harish as "the most veteran enterprise of its kind in Israel still in the hands of its founding family," Niba, now managed by a second and a third generation of the Baruch clan, was established in 1934 by Nissim Baruch, who had immigrated a year earlier from Yugoslavia.

Initially manufacturing men's shirts, Niba branched into women's blouses in 1963, and launched into export. In 1968, the company started shifting from men's wear to women's.

With the drastic decline in the early 1980s of Israeli clothing and textile exports, Niba, which is a vertical production company, put more emphasis into fabric development, especially embroideries and appliques which found ready markets in Europe in the second half of the decade.

Since 1987, Niba's sales have been rising consistently, aided by new outlets operated by Just U, which was set up in 1988.

Total exports in 1993 reached \$15 million. A major increase is expected this year as new markets open in neighboring countries and in Asia. Niba is opening a nationwide network of factory-owned stores.

Margarine that combats cholesterol?

OFF THE SHELF

MARTHA WEISLS

MAZOLA Margarine, newly produced here under license, is 100 percent corn oil. It is being promoted as superior both for health and in taste to the familiar Telma soybean-oil margarine made by the same company, Israel Edible Products (Tami).

The new corn-oil margarine comes in an oval-shaped white plastic tub and is meant for spreading and frying, but not for baking. It is parve, under Haifa Rabbinate supervision.

The all-corn-oil formula was developed by the Israeli producer together with C.P.C., the international concern which owns Mazola and recently acquired a controlling interest in Israel Edible Products. It is touted as an improvement over the Mazola margarine sold in other countries, where it generally has only 80 percent corn oil, supplemented with soybean or other oils.

Mazola boasts that the corn oil itself is produced from the nutritious germ of the kernel, and is rich in vitamins A, B, D, and E. The margarine is marked "cholesterol free" — which is true of any vegetarian food matter.

More important, it contains a high percentage of "good" polyunsaturated fat and a low percentage of saturated fat. The caloric count is exactly the same as in ordinary soybean margarine, 747 calories per 100 grams.

Far more daring is Mazola's claim that the American Heart Association endorses corn-oil margarine as "effective in lowering cholesterol." At my request, the manufacturer sent me a copy, in English, of an AHA statement which appears to support this claim.

Describing an unspecified research project, the AHA states: "This new study shows clearly that in lowering dietary fat from 35 percent to 30 percent of calories, corn-oil margarine is useful in lowering blood cholesterol. An even greater lowering of cholesterol was achieved in the study by the use of non-hydrogenated corn oil..."

Mazola Margarine is a mixture of liquid corn oil and hydrogenated (solidified) corn oil.

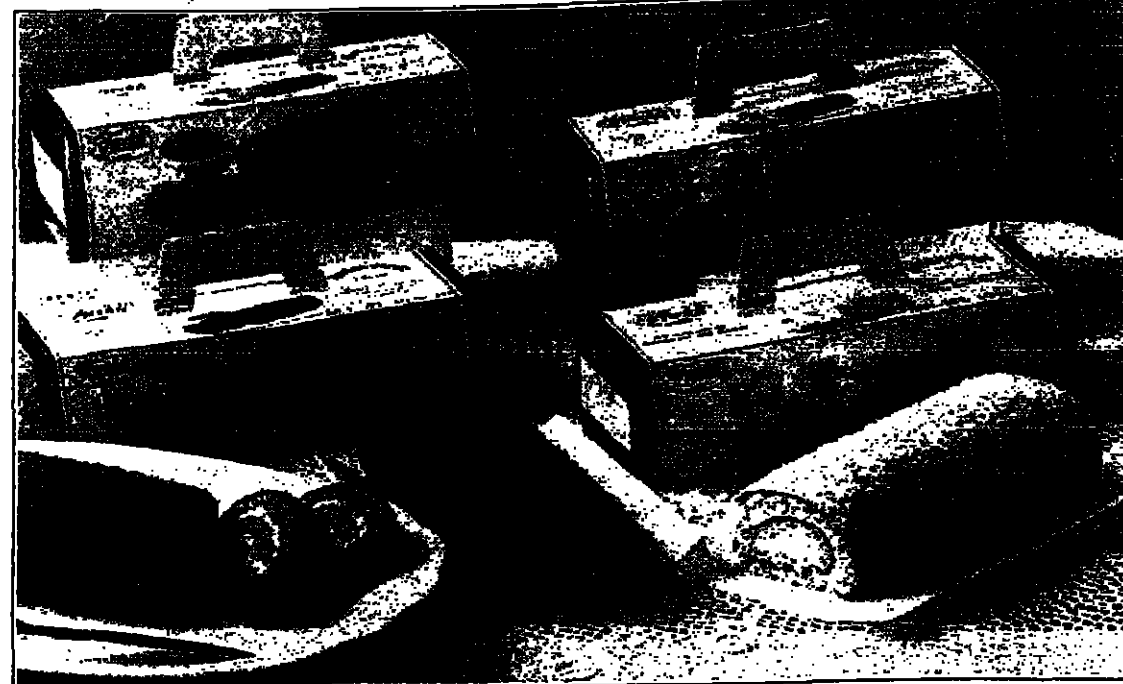
Even assuming the abovementioned study is correct, however, there is no guarantee that switching to corn-oil margarine within one's regular diet would have any significant effect on blood cholesterol levels. After all, corn oil has only a slightly better relationship of polyunsaturated to saturated fat than soybean oil, and the same percentage of monounsaturated fat, according to a Harvard Medical School chart in my files.

The new Mazola Margarine is said to be nonsplattering when used for frying, and I have enjoyed it for this purpose. I am somewhat less enamored of it as a spread. The lightly-salted Mazola may be tastier than ordinary margarine, but it is hard to detect the specific corn flavor which the producer says it has.

The bright yellow color of the Mazola brand owes more to the natural food coloring beta-carotene than to the corn itself.

Mazola Margarine, at NIS 3.80 for a 250-gram tub, is more than twice the price of ordinary Telma soybean oil margarine in similar containers (NIS 1.60 to NIS 1.80). It is slightly more expensive than Telma margarine from sunflower oil, which has an even higher proportion of the desirable polyunsaturated fat than does corn oil.

The margarine carries complete Hebrew-English labeling.



Freddi offers a hard-to-resist Swiss roll in four mouth-watering flavors: cocoa, white chocolate, praline and cappuccino; Mazola Margarine's corn-oil base may have health benefits.



contains bits of onion, carrot, potato, tomato and even parsley and mint leaves.

We found these beans an interesting accompaniment to a light meal of hummus, tahina and pita. The price is also NIS 7.90, for 420 grams.

All four Turkish imports can be served either hot or cold. Marina recommends them for picnics and for sending to soldiers on base or in the field.

The labeling is Hebrew/English.

LESS UNUSUAL is another new arrival via the same importer: ketchup from the U.S. made in Fremont, Ohio, for the Marina label. It has an O-U *hechsher* with the Chief Rabbinate's endorsement, but little else special to recommend it. Even the price, NIS 8.90 for 750 grams, is quite similar to that of local ketchups.

WE'RE UNACUSTOMED to seeing kosher food imports from Turkey, but the Marina import company is hoping to change this.

Under its own label, it has brought in a whole line of Turkish-made vegetarian canned products, made in Izmir, all of which have the endorsement of the Israel Chief Rabbinate.

Three of the items are Mediterranean-style vine leaves, green peppers and eggplant — each of them stuffed with rice and chopped vegetables and surrounded by sunflower oil. I tried the peppers and found them tasty, yet not overly spicy to the Western palate.

Each can weighs 390 or 400 grams, and retails for NIS 7.90.

My household was particularly impressed with the fourth product, labeled "red barbanaya beans in tomato sauce," although I would describe them as brown beans. The recipes differ from ordinary baked beans in that it

AMIDST THE recent mass invasion of imported baked goods, it is particularly hard to resist the temptingly-packaged Swiss roll cakes (defined on the label as a "soft sponge-cake roll" with cream filling) bearing the Freddi label from Italy.

The cardboard boxes even have carrying handles, making these fancy enough to give as gifts in place of candy.

The cakes taste good too, with the cocoa version rich in dark chocolate, and the white one sinfully sweet, with a white-chocolate icing. They also come in praline (nut cream) and cappuccino flavors. Their manufacturer is said to be one of the four largest in the cake field in Italy.

The importer is Friedland of Ra'anana. The "kosher dairy" certification is given by a kashrut supervisory company called the Rabbinical World Union for Kashrut Ltd., headed by Rabbi

Ya'acov Auerbach of Ramat Gan, have the additional endorsement of the Israel Chief Rabbinate.

Labeling is in several languages, but predominantly English. The 300-gram cakes are NIS 7.95-8.50 at chain stores and private grocery shops.

TELMA HAS a new line of salty dry snacks called Batagan, which means "confusion." The brand-name is fitting.

The flavors are marked in English as "Smoked," "Mixed Grill," and simply "Kentucky" (an obvious reference to the fried chicken chain), but in fact, there is little difference among the three flavors.

The price is a uniform NIS 2 per 70-gram bag. At least the shapes are different.

YET ANOTHER new Telma release is rice cakes with a wild-rice component. It is a type called Wehani rice, said to have been popular with Native Americans.

This addition to Telma's Pat Eden line of rice cakes is identifiable by its bright multi-colored label, and the bilingual labeling on the reverse side. The price is NIS 4.50 for the 150-gram bag.

You can do without the wind in your hair

MOTORING

JOEL GORDIN

PEUGEOT 306 CABRIOLET. 2.0-liter and 1.8-liter four-seater convertible.

The 1.8 liter version: Engine: 1,761 cc. Horsepower: 103 at 6,000 rpm. Torque: 153 at 3,000cc. Shift: manual. Acceleration: From 0-100 km/h in 12.6 secs. Maximum speed: 182 km/h. Average fuel consumption: 12.2 km/l. Price: NIS 94,000.

The 2.0 liter version: Engine: 1,998 cc. Horsepower: 123 at 5,570 rpm. Torque: 18 at 2,750 cc. Shift: manual. Acceleration: from 0-110 km/h in 10.8 secs. Maximum speed: 194 km/h. Average fuel consumption: 11.9 km/l. Price: NIS 104,000.

CABRIOLET is the European term for what Americans call a convertible. Unfortunately, due to the damaged ozone layer, convertibles, like nostalgia, aren't what they used to

be: you cannot be fitted high over the front passenger's shoulders, a minus for taller people. The missing roll bar also allows the back of the hood, when it is fitted, to sag over the heads of the rear passengers.

I was disappointed with the engine performance of the smaller model which lacked the oomph one would expect from a sports car. At least two of the gears were too long and I measured the acceleration from 0-100 km/h at more than 15 seconds, three slower than the figure given by the manufacturer.

The 2-liter version, however, was a considerable improvement and appears to be a much more serious buy for sports enthusiasts. As expected from Peugeot vehicles, the road-holding and the suspension of both cars were excellent.

At a press conference after the test drives, the company's representatives explained away some of my criticisms. The 306 cabriolet, they stated, was not just a standard 306 cut in half. Peninfarini designed it from scratch as a convertible and ensured state-of-the-art, "roll-proof" road-holding as well as reinforced protection on the sides. For esthetic reasons, no roll bar was fitted, which was accepted even by our meticulous Transport Ministry.

They gave a logical explanation for the poor gear ratios. In France, cars are taxed according to the sharpness of the gears and the 306 designers tried to lessen the tax burden as much as possible.

The test was designed for the French market but the gear ratios would be rectified in the models to be sold here.

Unfortunately, the complicated design that accommodates the detachable hood comes at the expense of a super-aerodynamic body, and this partly explains

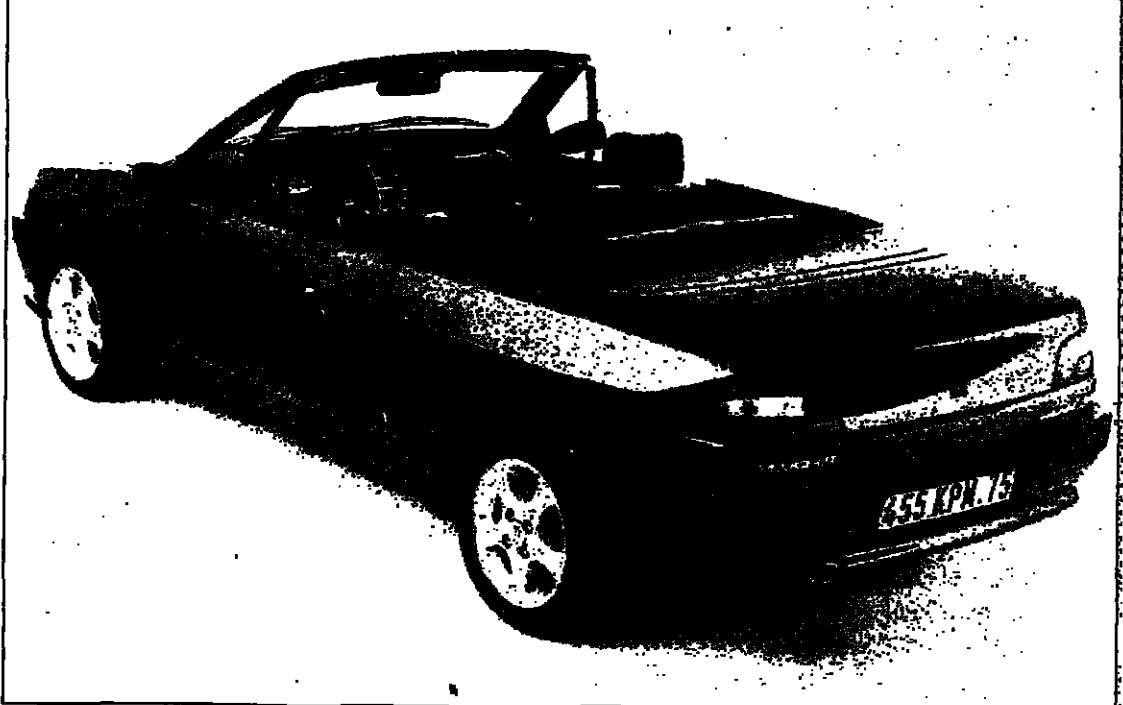
some of the acceleration sluggishness. The Peugeot people explained, with typical Gallic shrugs, "you don't know how to drive convertibles. They are cars in which to dream, not to race. Beauty comes before speed."

This may be, but I still wouldn't recommend a convertible as a serious option for even the young-at-heart. There are not many roads where one can race along with the "wind blowing in your hair."

There are, on the other hand, too many bottlenecks where one can be stuck in traffic, and gridlock in an open convertible during an Israeli summer is a special kind of hell.

Okay, so you can put the top up and switch on the air-conditioner — but then who needs the convertible with all its additional problems of security and safety?

Many disagree with me, it seems. The first 17 models to go on sale here have been snapped up and Lubinsky's forecast for annual sales have been raised to 200 a year.



Beauty seems to come before speed in the Peugeot 306 Cabriolet.

BARGAIN BASEMENT

OFFERS

CRIB — good condition, NIS 300; stroller, fair condition, NIS 50. 02-6419473. NS.
WEDGEWOOD COLLECTOR'S PLATE — NIS 300. 02-6993408.
BOOKS — "Star over Jordan," Oliver Cromwell, "Abraham Lincoln," Theodor Herzl, NIS 25 each. 04-342307.
TWO SOLTAN POTS — like new, big, NIS 50; pot for chips, new, NIS 30; steak pan, NIS 50; Teflon pot, NIS 45; kitchen scale, NIS 55. 02-5059171.
TWO WASHING MACHINES — 1 x 1 1/2 kg., 1 x 1 1/2 kg. Working condition. Both for NIS 300. 06-95377.
SUNBEAM GAS GRILL — double burners, with tank, on wheels, fully operational. NIS 300. 04-255719.
50 CLASSICAL MUSIC RECORDS — NIS 5 each, may change and take less. 02-528633.
PIERRE CARDIN BLOUSE — tailored, like new, NIS 40; 3-piece woman's suit, NIS 40; corduroy jeans, NIS 20. All small sizes. 04-255121.
COMBINATION BATH AND CUPBOARD — almost new, NIS 100. 02-4059136.
PORTABLE TYPEWRITER — Olivetti, NIS 100. 02-5047531.
BABY CARRIAGE — Peg Perego, for baby 6 months to 2 1/2 years, hardly used, NIS 250. accessories. 02-886990.
WHITE CUPBOARD WITH SHELVES FOR BOOKS — open, 80 x 170, NIS 45; stereo record player with boxes, NIS 35. 02-528976.
3-PIECE ENGLISH WOOL SUIT — new, all lined, medium size, NIS 250. 02-596999.
BOYS' BICYCLE — 20 in., BMX, new, un-assembled in carton, NIS 300. 02-794276.
CORDLESS PHONE — AT&T 5200.

NIS 135. 02-810093. NS.
ADULT BICYCLE — new, purple frame, NIS 300. 02-731400.
ELECTRIC TYPEWRITER — American, 120 volt, good condition. 02-80126. NS.
COFFEE TABLE — oblong, black slate top, white base, modern, excellent condition. NIS 300. 02-710057.
BLANKET COVER — 200 x 210 cm.; matching pillow cases, 50 x 60 cm., new light blue, cotton IKEA, NIS 75. 02-663437. NS.
LADIES' REEBOK — size 6, American, NIS 180. 02-528415.
BRASS LAMP — old Jerusalem; NIS 280. 02-61092.
SHOES — Soft Spot, new, USA, 9M, NIS 125; high-heel shoes, worn once, NIS 60; handbags, NIS 10 to NIS 50. 02-66377.
COFFEE TABLE — Hollandia, oval, gray, 138 cm. x 70 cm., NIS 250. 02-536806.
MITRE BOX — NIS 65; Keds Surfiders, new, size 44, NIS 100; slitherer, new, NIS 85. 02-524638.
VIDEOS — NISC VHS originals: Steven Seagal, *The Hunt*, *Stronger Among Us*, children's titles, NIS 30. 02-512647. NS.
GIRL'S BIKE — BMX, training wheels, NIS 130; box of educational toys (preschool), NIS 60; shopping trolley, NIS 40. 02-868359. NS.
WASHINGTON REDSKIN SHIRT — official, size 42, NIS 25; "World's Greatest Dad" sweatshirt, size 34-36, NIS 25. 02-663437.
LEATHER JACKET — lady's size 14, dark gray, excellent condition, NIS 300 or near offer. 02-599204. 02-919134. NS.
BOYS' BICYCLE — 20 in., BMX, new, un-assembled in carton, NIS 300. 02-794276. 02-208726. NS.
OFFICE FILING CABINET — 4 drawers, NIS 135. 02-810093. NS.

NIS 70. 02-723614.
TWO MEN'S UNDERSHORTS — new, blue and yellow, 44-X-Large, NIS 20. 02-714742.
VACUUM CLEANER — Hoover, NIS 200; slitherer, NIS 40; AD&D rule book, NIS 60. 02-86088.
POTTERY TEAPOT — large, artistic, NIS 150; ceramic kiddush cup, NIS 25. Dvora. 02-555424. 02-513096. NS.
VACUUM CLEANER — excellent condition, NIS 175. 02-613750. NS.
U.S.A. CLOTHING — women's size 8 and children's, good condition, NIS 10 each; Fisher Price car seat, NIS 200. 02-763399. 02-814252 (evenings).
LADIES' AND MEN'S WATCHES — new, NIS 70. 02-634405.
WALKMAN — AM/FM cassette, new, NIS 130; sandwich-maker, new in box, NIS 120. 02-81554.
RED — NIS 150; umbrella, NIS 100; pool, NIS 50. 02-660598.
AMERICAN HI-RIDER, steel, frame only, NIS 150. 02-664925.

INDIAN CLOTHES — women's, medium size, never worn, three items, NIS 100 each. 02-438298.
CROWN ROYAL WHISKY — NIS 150; VHS, new, 628 telephone lease, NIS 40; tripod for camera, NIS 100; letter gothic IBM ball, NIS 5. 02-664532. NS.
TWO FRY PAN PLATTERS — good condition, NIS 4 each; "Learn Fluent English" book, NIS 10. 02-611240.
CHILD SAFETY GATE — wood, 84 cm. high, opens 40 cm.-155 cm., all hardware, excellent condition, NIS 100. 02-789712. NS.
RECLINER — large, American, black vinyl, needs repair, NIS 300. 02-820126.
BICYCLE — 10-speed, original owner, good condition, NIS 250. 02-767601. NS.
CHILD CAR SAFETY SEAT — NIS 180; child safety gate, NIS 120. 02-713748.
WOMEN'S ASSORTED CLOTHES — some new, size 7-12, NIS 5-NIS 30; men's large jacket and slacks, NIS 30 each. 02-783854. NS.
GIRLS BICYCLE — pink, removable stabilizers, NIS 160; car-safety triangle, NIS 40; ECF fire extinguisher, NIS 100. 02-713748.
CHINESE MEDICINE — "Two Immortals" for menopausal symptoms, 24 sheets a bottle (90 tablets), 02-788668.
BARBECUE — wheels and spit, preparation shelf, new, NIS 160; Wendy House, NIS 120. 02-713748.

WANTED

TABLE, CHAIRS — and other furniture, in good condition, urgently needed for new olim. Will pick up in Haifa area. Nachama. 02-382119.
VCR AND TV — small, in one unit, or just a VCR and monitor, any year, up to NIS 300. 07-377018.

DESK — for home use, in good condition, reasonable price. 02-956420.
BOOKS, MAGAZINES, ARTICLES, FAMILY TREES — old photos, maps, postcards, for Genealogical Center. Tel. 06-599657 (3). 06-599835 (6).
PING-PONG TABLE — in good condition. 03-9218473. NS.
WAFLE IRON — in good condition. 03-540062.
YAD SARAH'S LAUNDRY SERVICE — for the bedridden desperately needs nightwear, sheets, bedding and towels. Call Tirza, 02-388074, Yad Sarah, 33 Yirmiyahu Street, Ramat Hashikma, Jerusalem.
FURNITURE — wanted by organization for new Russian olim, will collect. 02-788277. NS.
REFRIGERATOR — any size as long as it works. 02-241282.
NEW OR QUALITY USED CLOTHING — for distribution at the Yad Chen LeChochel Velamishphat center for distribution. 6710 Shmuel Haravi, Chaya, 02-820102. 02-866348.
AMERICAN STOVE — fairly new, in good shape, self-cleaning, reasonable price. 02-513540. NS.
ANSWERING MACHINE — shaves, close, small table for kids, oven in good condition. 02-510386. NS.
CORHAM FLATWARE — Camellia, individual pieces. 02-663437. NS.
OLD WRISTWATCHES — bobbiest watch-maker will purchase hand-wound Swiss watches, gold/silver, Movado, Elgin, other, any condition. 02-783369. 02-634129.
USED BEDS, BOOKS/RELVES — needed for fine Jewish newlyweds, will pick up. 02-382522. NS.
WASHING MACHINE — call anytime, 9 a.m.-9 p.m., 02-511655.

OLD BOOKS — 02-823788.
CAR SEAT — meeting US safety standards for 2 1/2 year old; toy garage or other structure for matchbox cars. 02-732319.
BABY CAR SEAT — suitable for rear seat without seat belt. 02-432450.
EXERCISE BIKE — good condition. 02-863291, afternoons, evenings.
USED FLOTTER — preferably in working condition. 02-66845, mornings.
USED COMPUTER — 02-524939.
SOFA CUM DOUBLE BED — in good condition. 02-664345.

PETS

KITTY — bright, sweet, loving, undemanding, needs new home soonest. 02-617512. NS.
KITTENS — mother Siamese, 2 white male and female, one striped gray. Free. 02-524421.
MIXED DOBERMAN — 7 months old, spayed, female, free to loving home. 02-817830.
KITTENS — 7 weeks old, free for adoption in loving home.

Sorry, no listings accepted without a coupon

BARGAIN BASEMENT — FREE CLASSIFIEDS

BARGAIN BASEMENT accepts ads of up to 20 words free of charge on these conditions: Only one ad per household per week. THE LIMIT per ad in the "offer" section is a TOTAL of NIS 250, and the price of each item must be stated in shekels. The following ads are NOT accepted: business offers; apartment sales, rentals or exchanges; car sales; job offers; situations wanted; solicitations for donations; offers of marriage or other personal relationships. Ads must be printed in English and submitted on the attached coupon. ADS MAY NOT BE SUBMITTED BY PHONE OR FAX. The right to reject or edit any ad is reserved.

Ads must reach The Bargain Basement, The Jerusalem Post, P.O. Box 91, 9100 Jerusalem by NOON Sunday of the week of publication. Because of space limitations, ads may be held over and published the following week.

The price of each item must be stated

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BUSINESS & FINANCE

THURSDAY, MAY 5, 1994

'Bank executives' salaries should be in line with public sector'

GALIT LIPKIS BECK

SENIOR executives' salaries must take into account the arrangement banks are owned by the government, Supervisor of Banks Ze'ev Abeles said yesterday.

Speaking at a conference on the banking sector's profitability in 1993, Abeles said it is impossible to ignore that the majority of Bank Hapoalim, Bank Leumi, Bank Discount and United Mizrahi Bank shares are in the hands of the government.

Abeles said the recently appointed bank directors and the banks' trustee committees, appointed by the government, have to consider the public aspect of senior executives' salaries, and decide whether to adjust them in line with criteria of a government-owned company.

He said the bank share arrangement law gives the trustee members the authority to take necessary actions to insure senior bank executives' salaries are in line with those of the public sector.

Abeles also said the law stipulates that bank executives' salaries have to be in proportion to the banks' profitability.

Two years ago, the Bank of Israel canceled a rise in salaries at two banks because the increase was not in line with the rise in the banks' profitability.

Abeles refrained from specifically commenting on senior executives' salaries in 1993.

He said the increase in the sector's earnings is not permanent, and there is no guarantee that the rising profit trend will continue this year.

Abeles said the banks' increased profitability reflected their operations in the capital market and the



Abeles: Salaries must also be in proportion to the banks' profitability. (Tav Or)

fall in the interest rate.

He said banks' financial margins fell to 2.2 percent from 2.6% in 1992.

According to Abeles, the fall in financial margins reflects increased competition in the capital market, due to the entrance of new institutions, such as insurance companies.

Abeles said 36% of the public's assets were held by the banks last year, compared with 54% in the 1980s.

He said he intends to propose legislation preventing banks from controlling non-banking corporations. Abeles said banks are currently prevented from holding more than 25% of a non-banking corporation, but this does not prevent the bank from controlling the corporation.

Frenkel: Inflation rearing its ugly head

Remarks to MKs hint that interest rates won't be lowered soon

INFLATION is rearing its ugly head again, Bank of Israel Governor Jacob Frenkel warned the Knesset finance committee yesterday, in what seemed to be a clear hint that interest rates will not be lowered in the near future, and may even be raised.

Frenkel told the committee that skyrocketing housing prices are the main culprit for higher inflation, and no solution to the problem is in sight.

On the contrary, the extended closure of the territories is likely to make the matter worse.

However, other factors are also worrying, he said. For the first time in recent years, he noted, underlying inflation - i.e. inflation adjusted for seasonal factors and

not including housing prices - is also rising.

Underlying inflation was the equivalent of 10.2% on an annual basis during the first quarter of the year, compared to only 7.9% during the same period last year, he said.

Furthermore, recent wage agreements - particularly the government's deal with the engineers and university graduates, which granted these workers a 5% real wage increase - are also likely to be inflationary, he warned.

Finally, he added, there are a number of problems which threaten to increase the budget deficit - the national health bill, the local authorities, the pension funds, ag-

riculture and the defense industries.

These could also spur inflation, making it difficult to achieve the government's goal of 8%.

Those who are currently calling for a reduction in interest rates must remember that this means... an even further increase in inflationary pressures," he concluded, disputing a recent statement by Treasury director-general Aharon Fogel that higher interest rates, being an economic input, actually made inflation worse.

On the bright side, Frenkel said the economy grew nicely in the first quarter.

However, he warned, the rosy

figures do not reflect the possible effects of the closure of the territories.

The few MKs who bothered to attend the meeting disputed Frenkel on interest rates.

"Lower housing prices [and therefore lower inflation] is undoubtedly a goal of major importance, but in my opinion, and the opinion of most of the MKs, the answer is not [higher] interest rates," said committee chairman Gedalya Gal (Labor). "Interest rates need to go down in the coming months."

Gal noted that inflation was 2.3% (on a quarterly basis) for the first three months of the year, compared to 4.3% during the same period last year.

Furthermore, he said, for the past several years, inflation has peaked in April, so it is reasonable to expect the same to be true this year.

"Inflation was very low during the first quarter," added Dan Tichon (Likud). "[Frenkel] is following a policy appropriate to the US, not to here."

However, the MKs generally supported Frenkel's statement that the only solution to the housing price problem was massive release of lands in the central region coupled with increased investments in education and roads to make living in the periphery more attractive, and a streamlining of the bureaucracy involved in building.

Kessar: El Al being attacked by those who want to buy it cheaply

HAIM SHAPIRO

COMMERCIAL interests hoping to pick up El Al at a bargain price want to hurt the airline's image on the eve of its privatization, Transport Minister Yisrael Kessar said yesterday.

He said this was especially unfortunate at a time when El Al was acquiring three Boeing 747-400s for \$450 million.

Despite the continuing battle which the Tourism Ministry has been waging to implement air policy liberalization, Kessar said the relations between the two and the Transport Ministry are excellent.

Speaking at a meeting yesterday with El Al director Rafi Harlev and other top company officials to show his support for the airline, Kessar said El Al was one of only two companies in the International Air Transport Association (IATA), of which over 200 companies are members, to show a profit

last year. Transport Ministry director-general Doron Shorer, who is also chairman of the El Al steering committee, said he will convene a meeting of representatives of all the airlines serving the country to explain the air traffic liberalization policy.

Kessar is to meet with Tourism Minister Uzi Baram to determine an overall tourism policy after the signing of the agreement with the PLO.

In a related development, Tourism Ministry director-general Eli Gonen met with the representatives of the country's tourism industry to explain the details of the tourism agreement with the PLO signed in Paris.

Both the Association of Travel Agents and the Guides Association have complained that the establishment of a Palestinian Tour-



Kessar: Relations between Transport and Tourism Ministry are excellent. (IPPA)

ism Authority could compete with Israeli companies and guides.

Gonen told them the ministry regarded fair competition as healthy.

Gonen said the same criteria which applied to local companies and guides would also apply to Palestinians who wanted to operate here. He said it would be necessary to adapt to the changes to compete more effectively.

He also promised that Baram would soon meet with the industry to explain the details of the agreement.

Super-Sol Hungary buys control of Budapest firm

GALIT LIPKIS BECK

SUPER-SOL Hungary, a subsidiary of Super-Sol, announced yesterday it has signed an agreement to gain control of the government-owned Budapest Kozert RT.

According to the agreement, Super-Sol has acquired a package of shares representing 50 percent of Kozert's share capital, plus one share for about \$6 million.

Super-Sol has negotiated the purchase since November. Super-

Sol Hungary was set up specifically for the purpose of purchasing the Hungarian chain.

Kozert was established in 1971. The chain operates 24 supermarkets in Budapest on a total area of 25,000 square meters.

One of the chains is situated in the center of the city and the remainder in residential areas and commercial centers. The company employs about 770 workers.

BUSINESS BRIEFS

Elsint reports decrease in first quarter net profits: Elsint, a medical imaging systems manufacturer, announced a drop in first quarter net income to \$3.1 million from \$4.5m. for the same period last year in unaudited results.

Magic registers \$225,000 net loss: Mashov Computers subsidiary Magic registered a \$225,000 net loss during the first quarter, as compared with a \$284,000 net profit for the same period last year. Revenues jumped to \$4.25m. from \$2.7m.

Tecnomatix Technologies reports \$3.5 million net loss: CAPE (computer aided production engineering) supplier Tecnomatix Technologies reported an unaudited first quarter net loss of \$3.5 million, compared with a \$241,000 profit for the same period last year. The fall in profit was due to a one-time charge of \$3.8m. for the recent acquisition of Valisys Corp. Revenues increased 23% to \$4.8m. from \$3.9m. The company emphasized that without the one-time expenditure, net profits for the first quarter would have been \$374,000. Ordinary costs and revenues remained steady, maintaining a gross profit margin of 82%.

Brother reports NIS 5 million net loss: Brother (Israel) reported a NIS 5 million net loss last year, compared with a NIS 880,000 net profit in 1992. Revenues more than doubled to NIS 105m. from 45m., as the company acquired several subsidiary companies, whose losses were registered in full in the annual report. Gross margins fell to 17% from 23%. Selling, general and administrative costs rose sharply. The company attributed the downturn, mainly in the fourth quarter, to greater competition in the computer field.

Bynet Test Equipment to represent Ceibo: Bynet Test Equipment, a division of Rad-Bynet, will represent Ceibo, a local manufacturer of products serving microprocessor developers. The association with Ceibo will give Bynet access to equipment and services, which it will provide to the microprocessor industry. Ceibo's products are sold abroad under the Phillips brand name.

Airlines offer discount fares: The latest in bargain air fares is a round-trip ticket to Munich for \$424, being offered by El Al and Lufthansa, instead of their usual fare of \$533. The special fare, which is to be available from June 1 to June 23, is only valid on El Al flights departing Ben-Gurion Airport on Mondays and Lufthansa flights leaving Israel on Tuesdays.

Passengers can return any day of the week but they must do so from Munich and their stay must be between 10 and 30 days. From June 24 through the end of August, the special fare is to go up to \$499, instead of the regular fare of \$626.

Tender dispute to delay census: The population and housing census will be delayed to May 1995, instead of this November, due to legal wrangling over the tender for printing the questionnaire, the Central Bureau of Statistics reported yesterday.

Aviation Links negotiating 20% share purchase of Rimona Tours: Aviation Links is negotiating a 20 percent share purchase of Rimona Tours, valued at \$2 million. Should the deal go through, Aviation Links will grant Rimona a private share issue of some \$1.75m. Improved travel packages and stronger purchasing power are the main focuses of the new partnership.

Vishay Intertechnology plans to establish fifth plant here

GALIT LIPKIS BECK

VISHAY Intertechnology plans to establish its fifth passive electronic components manufacturing plant here, Vishay founder and chairman Dr. Felix Zandman announced yesterday.

Zandman said Vishay Israel has purchased a 26-dunam plot in Erez Sorek, close to Beersheba. He said the plant, at an investment of \$80 million to \$100m., will be constructed within five years, after the completion of Vishay's fourth plant, currently being constructed in Migdal Ha'emek.

Avraham Inbar, Vishay Israel's newly appointed president, said the plant in Migdal Ha'emek will consist of 30,000 square meters.

Vishay has invested \$120m. here so far, and expects to make a similar investment over the next few years," Zandman said. "We will invest in expansion of our plants in Migdal Ha'emek and Dimona."

In addition to the plant in Migdal Ha'emek,

Vishay operates two plants in Dimona and one in Holon.

Vishay Israel's sales last year were \$68m., and the company expects to end this year with sales of \$120m.

The company currently employs 1,600 workers, including 1,000 new immigrants. By the end of the year, Vishay expects to employ 2,000 workers.

After completion of its plant in Migdal Ha'emek, the company is scheduled to employ an additional 3,000 to 3,500 workers.

Zandman said the company has experienced difficulties in employing workers in the south. He said Vishay Israel recently made a video in Russian, which the company plans to show in Russia and the north of Israel to attract labor to its plants.

"We could not have grown in Israel, if not for the immigration," he said. "We used to employ 200 people in Dimona; now we employ much more. We plan to create more and more jobs as long as labor is available."

Plant owner suspected of tax evasion released on bail

RAINE MARCUS

AVNER Milman, suspected of evading hundreds of thousands of shekels in income tax, was released on NIS 600,000 bail by the Tel Aviv Magistrates Court yesterday.

Milman's Jaffa factory, Avner Milman Electronic Packaging and Plating Ltd., supplies metal and plastic components and painting services to large companies such as Sciex, ECI and Elisra.

The company received government approval in 1984 to expand its activities by opening up an additional factory in Ariel.

In order to establish the Ariel factory the company presented a request to the Investment Center, listing equipment items needed to establish a production line.

The list included a gas and electricity operated oven, a painting system and gas installation, among other equipment.

In its letter of approval, the Investment Center authorized the list of equipment needed by the factory and determined that the Ariel branch would be entitled to tax benefits.

The approved company's revenue was subjected to reduced tax payments, no higher than 25% of the regular Jaffa company's tax levy - which ranged from 41% to 66% from 1985 to 1991.

In addition, dividends received

by an approved company were subjected to a maximum tax of 15%, compared to 25% paid by the regular company.

But tax officials claim that during some of the years when the company was declared as an approved factory, neither it nor its equipment was in use and revenue required for tax relief was not earned.

According to allegations, Milman falsely declared revenue during those years in order to receive tax privileges.

Milman also declared privately-owned land in Ariel as company-owned land, and inflated expenses to receive tax benefits.

Milman was summoned by tax investigator Yosef Spiro on May 2, and questioned under caution.

He admitted that during the years in question, the equipment had been not been in use.

Activities at the factory had been only partial to give the impression that the company was operating on a full-time basis, Milman said.

Spiro said the suspect would transport employees and equipment from the Jaffa factory to its Ariel counterpart, and they would remove rust and paint from the equipment with sandpaper "to create the illusion that the factory was working normally."

Agam takes over plant in Ma'alot from Ta'as

Post Business Staff

THE process of transferring ownership of Israel Industries' (Ta'as) plant in Ma'alot to Agam Metal Industries Ltd., of Haifa, was concluded yesterday at a formal signing ceremony.

The sale was initiated after the former Israel Military Industries changed from a division of the Defense Ministry to a government company, Israel Industries, run on business criteria and within the framework of the 1991-92 strategic plan, which served as the basis for its recovery program.

At the time of the change at the end of 1992, the plant in Ma'alot had not had, nor was it deemed to have in the future, the ability to make a profit.

At the end of last year, the plant employed 61 people, most of them residents of Ma'alot, and the rest residents of Nahariya and the sur-

rounding area.

Because of the plant's importance to Ma'alot, the company's management sought every possible way to keep it in operation.

This included a re-examination of the government's December 1992 decision that the plant be closed.

That re-examination, conducted at the beginning of last year, upheld the original decision, and the plant's results in 1992-93 only reinforced it.

Israel Industries' management, therefore, concluded it has no alternative but to close the plant, and to do its best to find employment for its workers at other Ta'as plants, or with a private employer, should one be found who would take over at least part of the operations of the plant.

Agam did so, and will employ 65 of the workers. The others either went to work for the Israel Industries plant in Haifa, or went out on early retirement.

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ISRAEL DISCOUNT BANK



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Israel General Bank posts 0.7% rise in net profit

GALIT LIPKIS BECK

ISRAEL General Bank, a member of the Edmond de Rothschild Group, completed the first quarter with a 0.7 percent rise in net profit to NIS 4.8 million from NIS 4.78m. in the corresponding quarter last year.

Net return on equity fell to 12.4% on an annual basis from 14.9%.

Managing director Eli Yones said first quarter profits were virtually unchanged from those in the corresponding period last year, despite the turnaround in the capital market and the slowdown in economic development.

Operating profit before tax fell 1% to NIS 9.35m. from NIS 9.4m. Profit from financing activity before provision for doubtful debts rose to NIS 6.58m. from NIS 6.56m.

Operating and other income rose 1.2% to NIS 15.7m. Operating and other expenses increased 2.3% to NIS 12.9m.

Credit to the public rose 5.1% to NIS 618m. from NIS 588m. at the end of 1993. General Bank's investments in securities grew 90.8% to NIS 253m.

Deposits from the public fell to NIS 1.59b. from NIS 1.6b. at the end of last year. Total assets rose to NIS 1.9b. from NIS 1.83b. at the end of 1993.

Chairman of the bank Edmond de Rothschild said this is the first time in 12 years that the board decided to recommend a distribution of dividends at the annual general shareholders meeting.

The board of directors decided to distribute a dividend of NIS 4.07m., representing 20% of the bank's profits from 1993.

ISRAEL MONEY MARKETS

Patah (foreign currency deposit rates) (4.5.94)

Currency (deposit for)	3 MONTHS	6 MONTHS	12 MONTHS
U.S. dollar (\$250,000)	3.625	4.000	4.625
Pound sterling (£100,000)	3.625	3.750	4.250
German mark (DM 200,000)	4.250	4.125	4.125
Swiss franc (SF 200,000)	2.875	2.875	2.875
Yen (100 million yen)	0.825	0.750	1.000

(Rates vary higher or lower than indicated according to deposit)

Shekel Foreign Exchange Rates* (4.5.94)

Currency basket	CHECKS AND TRANSFERS	BANKNOTES	Rep. Rates**
U.S. dollar	2.2540	2.3000	2.2784
German mark	2.9841	3.0262	3.0040
French franc	1.9083	1.9338	1.9253
Japanese yen (100)	4.4985	4.5620	4.5356
Dutch florin	0.5240	0.5356	0.5311
Swiss franc	2.9473	2.9888	2.9712
Swedish krona	1.6126	1.6353	1.6265
Norwegian krona	2.1277	2.1577	2.1416
Denmark krone	0.3919	0.3975	0.3940
Finland mark	0.4174	0.4232	0.4208
Canadian dollar	0.4629	0.4685	0.4665
Australian dollar	0.5578	0.5659	0.5627
S. African rand	2.1527	2.1831	2.171
Belgian franc (100)	2.1118	2.1410	2.1210
Austrian schilling (10)	0.0298	0.0313	0.0304
Italian lira (1000)	0.0800	0.0824	0.0813
Jordanian dinar	2.5725	2.6088	2.5950
Egyptian pound	1.5789	1.5954	1.5815
ECU	—	—	4.2208
Irish punt	3.4889	3.5281	3.5012
Spanish peseta (100)	4.3777	4.4384	4.4201
	2.2104	2.2415	2.230

* These rates vary according to bank. ** Bank of Israel.

SOURCE: BANK LEUMI

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West German industrial orders jump in March

BONN (Reuters) - West German industrial orders rose by nearly 3% in March, which economists said showed the economy is now firmly on the road to recovery.

The Federal Statistics Office said yesterday that West German industrial orders rose 2.9% in March, their third consecutive rise after a slump in the final quarter of 1993. It also revised February's rise up slightly to 3.2%.

Capital goods orders were up 5% in March, while export orders jumped 5.8%, and domestic industrial orders 1.2%. Consumer goods orders, by contrast, fell 3.7%.

Economists were encouraged by the news, as the rises for February and March were the strongest since last May. This is also the first time in more than two years that orders have risen for three successive months.

"It shows recovery is under way. The spring and summer quarters will show positive growth in GDP," said Gerhard Grebe, chief economist at Bank Julius Baer in Frankfurt.

"Export orders will remain the engine of the economy this year, while domestic demand will remain weak due to rising social security contributions and taxes," he added. "In the course of the

year, we will also see the beginning of an investment cycle in Germany, so capital goods orders will improve."

Joachim Fels at Goldman Sachs in Frankfurt was even more optimistic: "This data shows the economy is growing faster than anyone had thought, and should lead to upward revision of many GDP forecasts."

Most economists expect the West German economy to grow between 0.5%-1% this year. The government predicts a rise of 1% after a fall of 1.9% in 1993 - the worst plunge since World War II. "It confirms our view that an export-led recovery of the West German economy has started and is likely to continue for the remainder of this year," said UBS in Frankfurt.

Economists pointed to recent IFO surveys of industrial confidence, which showed an improved outlook among German companies, and to statements by many companies at the Hannover Trade Fair that their prospects are improving.

"Until recently, data had not kept pace with improvements in sentiment. But these orders data and Tuesday's output data are catching up fast," Fels said.

FRANKFURT (Reuters) - Major central banks around the world launched a concerted bid to prop up the ailing dollar yesterday after it had plunged to seven-month lows against the mark and plummeted against the yen.

The US Federal Reserve kicked off the action, buying dollars against both the mark and the Japanese yen.

The Bundesbank then confirmed that it had bought dollars in conjunction with the Fed. European central banks later joined in what officials called a round of concerted action.

US Treasury Secretary Lloyd Bentsen said in a statement that recent developments on the foreign exchange markets were out of line with economic fundamentals.

He confirmed that major countries were acting together to prop up the dollar.

The dollar reacted quickly to

the intervention, jumping as high as DM1.6645 after it had closed on Tuesday night in New York below DM1.64.

Recent dollar weakness had been linked to US concern about the bilateral Japanese trade surplus and hints from the US administration that it wanted the yen to go higher in order to redress the imbalance.

However, in his statement, Bentsen said: "This administration sees no advantage in an undervalued currency."

The intervention involved the Bank of England and also included the national banks of Switzerland, Austria, the Netherlands, Italy, France, Japan, Finland, Spain, Norway, Belgium and Denmark. The last time the world's central banks joined together to buy dollars was in August 1992, when the US currency was trading around DM1.40.

It later dropped to an all-time

low of around 1.3860 early in September of that year.

The start of the US economic recovery slowly supported a dollar recovery during 1993, but this was interrupted earlier this year, most recently on concern that US growth in the first-quarter of 1994 was slower than many had expected.

The dollar's current level of around 1.66 compares with just below 1.74 at the start of the year.

The dollar's surprising weakness also comes against a backdrop of rising US interest rates and falling German rates.

Earlier yesterday, Bundesbank president Hans Tietmeyer had made clear he was not happy with the dollar's latest decline, even though relative mark strength was a sign of confidence in the German currency.

Tietmeyer told a group of bankers: "A too strong apprecia-

tion (in the mark), for example against the dollar, is not in the interests of the German economy."

His comments were seen by many dealers as a verbal prelude to intervention to support the dollar.

Economists said a stable dollar now was particularly important because the German economic revival was hanging on the slender thread of an export-led upturn.

That upturn was now endangered by the dollar's weakness and the situation would get worse if the dollar's fall was not interrupted or reversed.

"We are now in a situation where the recovery depends on exports," said Guenter Albrecht, chief economist at the DIHT federation of chambers of commerce.

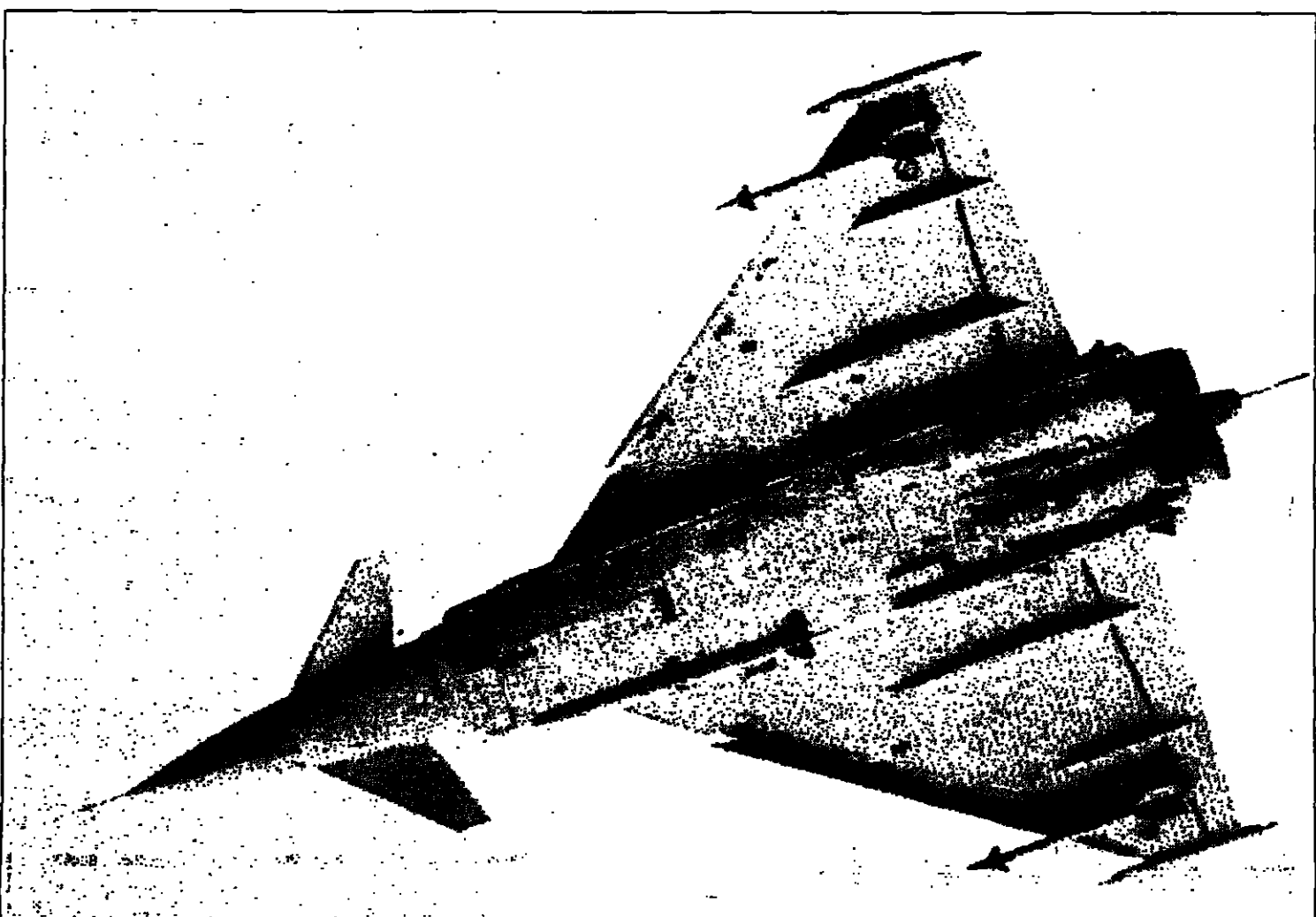
Herbert Lahmann, an economist with the Berlin-based DIW

research institute, said a stable dollar was particularly important because any export-led German recovery depended on German sales of goods to the US and to Asian nations where the dollar is an important trading currency.

Germany is targeting those areas for growth because economic activity there is stronger than is the case for its usually more important trading partners in western Europe.

Lahmann noted Germany's major economic institutes, which see one percent 1994 west German growth, were calling for a real four percent rise in German exports for this year.

"That (export growth) could be in danger" if the dollar trend continued, he said. It was all the more important, therefore, that the economy receive additional impetus for growth from sharp Bundesbank interest rate cuts.



The Eurofighter 2000 DA2 flies over the British Aerospace Warton airbase yesterday for its first public flight. The plane is being researched and built by Britain, Germany, Italy and Spain. (AP)

Germany clears way for Lufthansa privatization

BONN (Reuters) - The German government cleared the way for the full privatization of Deutsche Lufthansa AG yesterday after agreeing on a deal with the loss-making national airline on meeting its pension liabilities.

The problem of how pensions will be paid when Lufthansa is no longer part of the public sector had been the main obstacle to the government's plan to sell its 51.42% stake.

Lufthansa, a loss-maker for the past three years, said privatization would enable it to return to profit and help it in the cut-throat struggle against rival airlines.

"Only a strong Lufthansa can survive in the face of this murderous competition," the airline's chairman Juergen Weber told a news conference.

The government will let its stake fall below 50% by not subscribing to a planned capital increase which Lufthansa hopes will raise more than one billion marks (\$604.5 million) later this year. It then plans to sell off its shareholding in stages.

Under the complicated pen-

sion deal, the government will pay a total of DM1.6b. (\$967.2m.) to cover the pensions of existing Lufthansa staff and pensioners.

It will also guarantee pensions up to DM1.1b. (\$665m.) in the event of Lufthansa becoming insolvent.

The airline will build up its own pension reserves, starting by laying aside DM264m. (\$159.6m.) in 1995, and will be liable for the pensions of staff who join after 1995.

Share analysts welcomed the news but said investors would want more information about the government's plans to sell its shares before subscribing to the capital increase.

Michael Geiger, analyst at Natwest Securities in London, said the pension compromise was a good one. "The best deal in the circumstances. It can be judged neutrally and should have no effect on Lufthansa earnings," he said.

Finance Minister Theo Waigel said the privatization would help reduce soaring government debt, with receipts from the sell-off and lower interest payments more than offsetting the cost of the pension guarantees.

At their current market price of around DM200 (\$120.9), the government's shares in the airline were worth around DM3.1b. marks (\$1.87b.).

"As a result of this, net borrow-

ing could be reduced correspondingly and the government would save around DM200m. (\$120.9m.) in interest payments per year," Waigel added.

He gave no indication of the likely timing of the sell-off but said it would probably happen in several stages.

Lufthansa supervisory board chairman Wolfgang Roeller said the airline aimed to raise over one billion marks in a capital increase after seeking authorization from shareholders in July.

Transport Minister Matthias Wissmann said the airline was set to resume paying a dividend, without specifying when.

Lufthansa chairman Weber confirmed his earlier forecasts that the airline should break even at the operating level in 1994 but he declined to make any forecast on when dividend might be resumed.

"It is our goal to show a break-even in operational business in 1994 and I am sure we will achieve it," he said.

"I am not promising you any dividend today. I can promise you that Lufthansa and the board will make efforts to achieve a good result and everything will follow from that."

Philips profits recover sharply

EINDHOVEN, Netherlands (Reuters) - Dutch electronics group Philips yesterday produced a big jump in first-quarter net profits, helped by lower debt and an unexpected improvement in the consumer electronics division.

Net profits soared 152 percent to 260 million guilders (\$141 million) in 1994's first-quarter, from 103m. (\$56m.) in the depressed first-quarter of 1993.

This was at the high end of analysts' forecasts.

The company made no forecast for the year, saying it was cautious about the rate of earnings improvement because of depressed consumer spending in Europe.

"Business remains extremely difficult in Europe," finance director Dudley Eustace told a news conference.

After an early fall, the shares recovered to stand unchanged by mid-afternoon at 57 guilders (\$31).

Operating profits in the division were 42m. guilders (\$23m.) from 28m. loss (\$15m.) a year ago.

Although the company made a profit in the division in the fourth quarter, that was considered by analysts to be a seasonal blip from Christmas sales. They had expected it would be late this year before the division returned to consistent profit.

Spanish markets hit by rating rumors

MADRID (Reuters) - Spanish bonds, stocks, and the currency all fell sharply yesterday, hit by rumors of a debt rating downgrade triggered in turn by a chain of corruption cases shaking the government.

The peseta fell through support at 82 to the mark and the Spanish 10-year bond widened its differential over German bonds to above 300 basis points for the first time in nearly a year.

Traders said rumors that Moody's and Standard & Poor's are revising the country's debt rating were behind the losses. Both agencies denied they had made any change to Spain's sovereign rating or put the country on their special watchlist.

Political scandals involving the former chiefs of the Bank of Spain and the Civil Guard have shaken the markets in recent days and made foreign investors increasingly nervous about the stability of the government.

Interior Minister Antoni Asuncion appeared before a parliamentary committee yesterday to explain the disappearance of the former head of the Civil Guard, Luis Roldan, wanted on embezzlement charges.

Next week, Prime Minister Felipe Gonzalez will answer questions in parliament on the Roldan case, which led to Asuncion submitting his resignation last Saturday.

But he offered no news of the whereabouts of Roldan, who failed to turn up in court last week.

"I thank the minister for his speech. It was totally devoid of content," Canary Island Coalition leader Lorenzo Olarte said in answer.

The security forces' failure to find Roldan, who has given a lengthy interview to *El Mundo* newspaper from his hiding place, has lent the scandal an element of farce.

A Madrid court has issued an arrest order for Roldan, who is suspected of taking bribes and embezzling Interior Ministry funds, and frozen his assets.

The case, which coincides with an investigation into Mariano Rubio's personal finances while he was governor of the central bank, has worried foreign investors.

Roldan's statements in Tuesday's *El Mundo*, in which he alleged widespread corruption and pledged he would not go to jail alone, were received with a measure of cynicism at home but with alarm abroad, dealers said.

By afternoon, the peseta had dropped to 82.30 to the mark from 81.85 at close on Tuesday, and the benchmark 10-year 10.50% government bond was quoted at 104.50, down 1.5 points from its previous close, and yielding 9.7% against 9.5.

The stock market general index fell nearly six points to 311.5 in the morning session.

WORLD BRIEFS

Factory orders up strongly: Orders received by US factories rose strongly in March, and shipments and order backlogs also increased as the tempo of manufacturing activity picked up, the Commerce Department said yesterday.

The 1.1% jump in March orders to a seasonally adjusted \$274.7b. followed a revised 0.3% decline in February orders. The gain was more than double Wall Street economists' expectations of a 0.5% increase in business. *Reuters*

British inflation fears persist: The British public expects inflation to get worse, despite the fall in underlying inflation in March to its lowest level since 1967, the British Treasury said yesterday in its monthly monetary report.

"The general public's inflation expectations remain high relative to both Treasury and independent forecasts," it said.

Underlying inflation - a measure excluding home-loan costs - stood at 2.4% in March. The main retail prices index stood at 2.3%. *Reuters*

BAT logs 20% profit rise: Tobacco-to-insurance conglomerate BAT Industries Plc reported a 20% rise in first-quarter profits yesterday but warned that the rest of the year could suffer from comparison with "somewhat flattered" 1993 results. "Pre-tax profits rose to £434m. from £354m., but revenue slipped down 2% to £5.84b." *Reuters*

India expected to ration Euroissuances: India is expected to ration access of Indian companies to international capital markets after the damaging flop of a \$1b. Euroissue because of lukewarm interest overseas, bankers and analysts said.

At least 115 companies are planning to raise over \$9b. on overseas equities and bond markets as part of India's economic liberalization programme.

But both the companies and the government are now likely to take a more cautious approach after shelving of the prestige \$1b. Euroissue by international telecom monopoly Videsh Sanchar Nigam Ltd (VSNL) on Tuesday. *Reuters*

Continental cuts airfares: Continental Airlines said Tuesday it lifted travel restrictions on flights to Europe and slashed the ticket prices by as much as 67%, sparking a round of transatlantic fare cuts.

USAir Group Inc., United Airlines, and TWA said they would match the fares, American Airlines said it would match the fares on a round-trip basis and set an expiration date of September 15. *Reuters*

Kemper shares drop: Shares of Kemper Corp., dropped Tuesday as the latest pitch by the financial services and insurance company to fight off General Electric Co.'s \$2.35b. hostile takeover offer started to scare off investors.

In a new twist in the two-month battle, Kemper told its stockholders it would let them vote on whether it should be put up for sale to the highest bidder if the company's stock falls below \$65 a share during a specific period of time in the coming year. *Reuters*

Time Warner up: Time Warner Inc. stock rose sharply Tuesday on rumors that Seagram Co. Ltd. was about to launch a bid for the company, Wall Street traders said.

The traders said they had heard a \$55-per-share bid was coming. Time Warner and Seagram both declined to comment. *Reuters*

British building societies to merge: Two British building societies announced merger plans yesterday, the second big move in a month in the industry as it fights to hold its share of the mortgage market against competition from banks.

Northern Rock Building Society and North of England Building Society said they planned to form a group with joint assets of £8.8b. and joint profits last year of almost £103m., making Britain's 10th largest building society. *Reuters*

Health stocks may be just what the doctor ordered

TWO days' worth of big merger deals in the health care industry may be whetting some investors' appetites for stocks in this embattled sector.

But the managers of some of the biggest mutual funds that specialize in health care stocks warn that consolidation alone won't spur a new bull market in this group. Other factors are more important, not the least of which is how federal health care reform ultimately shakes out.

Still, for bargain-hunting investors, health care may not be a bad place to shop. Many of the stocks now are in their third year of decline, and quite a few are selling for nominally cheap prices relative to earnings. Not all of these companies are headed for Chapter 11, after all.

Edward Owens, manager of the Vanguard Specialized Health Care fund in Valley Forge, Pa., says Monday's \$5.3b. takeover bid for drug giant Syntex, by Switzerland's Roche Holdings Ltd., is a vindication of sorts for his fund's 28% weighting in major drug company stocks.

While conventional wisdom on Wall Street is that the drug companies will be among the biggest victims of health care reform, Owens sees it differently. The companies' pricing power isn't what it used to

be, he concedes, but in the long run he argues that the truly innovative companies should still be able to realize significant payoffs - worldwide - for their research efforts.

"This has always been a business where the real wealth is created by the discovery of important new drugs," Owens says.

Syntex has lagged in new discoveries recently, but Roche evidently saw enough potential in Syntex's pipeline to warrant a rich takeover price, Owens says. "The message is that the value in pharmaceutical companies is in the pipeline," he says.

If the market takes a brighter view of drug companies for that reason, Pfizer and Johnson & Johnson should benefit, Owens says.

Pfizer's research-stage drug for rheumatoid arthritis "could be a blockbuster," he says, while J&J, best known as a maker of over-the-counter medical supplies, "is becoming more and more a drug company."

Both are major holdings in Owens' fund. Likewise, biotech stocks, many of which have plunged again this year, may begin to attract more interest if the market's focus turns to the potential long-term value in research-stage drugs.

About 10% of the Vanguard fund's

\$582m. in assets are in biotech shares, including Biogen, Genetics Institute, and Alliance Pharmaceutical. "I think biotech is more attractive than it has been in a long time," Owens says.

Meanwhile, a set of business deals announced Tuesday highlighted another major health care sector. SmithKline Beecham Plc agreed to buy United HealthCare Corp.'s drug-management division, while Pfizer launched a joint venture with another managed-care company, Value Health Inc.

The managed-care companies are the controllers at the delivery end of the health care system, advising other companies on how to structure health plans and how to get prescriptions into plan beneficiaries' hands at the best possible price. The drug companies have increasingly felt the need to either move directly into distribution themselves (note Merck's decision last year to buy Medco Containment Services, a provider of mail-order drugs) or to strike deals with managed-care providers, who control an increasingly large share of health care spending.

Along those lines, Barry Kurokawa, manager of the \$460m. Invesco Health Sciences fund in Denver, says some of the best stock values in health care remain the service providers such as HMOs and the largest of the hospital chains.

The major hospital stocks, such as Columbia/HCA Healthcare and Healthtrust, were rediscovered by Wall Street last year, but Kurokawa argues that "they're still selling for reasonable valuations" of 13 to 15 times estimated 1995 earnings per share.

He believes the companies are capable of 20% earnings growth, as their increasing size and power gives them greater leeway in demanding price concessions from makers of medical equipment and supplies.

Companies that specialize in home health care, such as infusion services for the elderly and others, also should soon garner more respect on Wall Street, Kurokawa says. He sees a place for them under health care reform, and believes that "a lot of them are attractively priced now." Two that he owns are Caremark International and T2 Medical.

Still, Kurokawa concedes, the next bull market in health stocks may have to wait until investors lose their fascination with industrial, technology and other issues that will benefit most from a stronger economy. Patience is still a requirement in health-care investing. (c) 1994, Los Angeles Times

Ministry of Energy and the Infrastructure Electricity Administration

Notice Pursuant to the Electricity Wayleaves Act
Under powers granted me by the above act, I announce that, on May 1, 1994, I gave the Israel Electric Corporation permission to carry out the work noted below, in Parcels 17, 26, 47 of Block 10053, Parcel 3 of Block 10022, and Parcel 32 of Block 10019.

The work concerned is:
Erection of a 161 kV Overhead Power Line

Dr. Shlomo Bravender
Head, Electricity Administration

IAI subsidiary employee suspected of bribery placed under house arrest

AN EMPLOYEE of the Israel Aircraft Industries' Malam subsidiary, suspected of accepting bribes and forgery, was placed under house arrest by the Tel Aviv Magistrates Court yesterday.

David Assa, 55, who has worked at Malam for 25 years, was in charge of purchasing for the past 10 years.

He was arrested and questioned Monday by the police, who suspect he gave preferential treatment to certain suppliers and forged other suppliers' price offers so that his preferred contractors would get the work. He also allegedly leaked information about other bids to suppliers he wished to work with, in exchange for money.

IAI conducted its own internal investigation before filing a complaint with police. Detectives have still not questioned suppliers, and

RAINE MARCUS

asked the court to remand Assa in custody for nine more days.

"The suspect's replies to our questions only partially match our evidence," said a police representative. "He received tens of thousands of shekels in return for favors."

Police seized \$120,000 from Assa's safe, which they say are profits from illegal deals. Suppliers, said police, paid Assa percentages of deals made with IAI. "We still have to investigate scores of other people," said police.

But Assa's lawyer Sassy Gez argued that his client suffers from a serious heart disorder and should therefore not be jailed.

"The issues referred to are isolated incidents concerning a few shekels," said Gez,

who added that Assa has no criminal record. Gez stressed that if placed under house arrest, the suspect's family promised to stay with him.

Judge Amiram Binyamini said that police presented him with "sufficient evidence to suggest that the suspect methodically accepted bribes from various bodies for different deals, and not isolated incidents here and there."

"I was undecided whether to keep him in custody," said Binyamini, but added that since police still had to question scores of people, there was little chance Assa could disrupt the investigation.

Binyamini ordered Assa to post NIS 75,000 bail, placed him under house arrest until May 13 and ordered his phone disconnected. He was banned from using a cellular phone and from contacting others involved in the case.

Fraud Squad investigating alleged wrongdoing by Beersheba Development Company

AMIR ROZENBLIT

THE National Fraud Squad is investigating whether the Beersheba Development Company tried to defraud the Housing Ministry in 1991, by presenting false documents in a request for approved housing company status.

Company assistant general manager Nir Bariah, who signed the request, is the main suspect in the case, according to an article in today's *Yediot Beersheba*.

The fraud squad has questioned a series of senior Housing Ministry officials in Jerusalem, according to the report, and has confiscated ministry documents. Among those questioned were officials responsible for construction activities and those in charge of

granting housing company status to contractors and other bodies. The Housing Ministry's director-general at the time of the alleged fraud, Arye Bar, was also questioned.

The request to be recognized as an approved housing company was submitted in July 1991, on a Housing Ministry form that asked for examples of projects the Beersheba Development Company had built. The company noted that in 1987 it began building a hotel and commercial center on a 45,016 sq. m. site which was completed in 1990.

However, according to *Yediot Beersheba*, the company only began operating in 1989, and no such complex was completed by

the company at the time stated.

The company had earlier sued Shatil for libel for an article he wrote about the company regarding other matters, but the case was dismissed last week. Fraud squad investigators raided the company's offices a month ago, taking hundreds of documents. Several days later, a mysterious fire broke out in the office. No report has as yet been filed on what caused the fire.

The investigation is said to be a direct outgrowth of an investigation of Beersheba Mayor Yitzhak Rager, suspected of submitting multiple copies of receipts for personal expenses to the municipality, the Beersheba Development Fund and the Beersheba Economic Corporation. Rager denies the allegations.

Likud MK petitions against loan to Clalit

EVELYN GORDON

MK Haim Kaufman (Likud) yesterday petitioned the High Court of Justice against the Treasury's NIS 180 million loan to the Histadrut's Kupat Holim Clalit.

The loan was made by allowing Clalit to withhold payment of NIS 30m. a month of the money it owes the government for hospitalization bills, for each of the first six months of this year.

The petition, written by attorney and Likud MK David Mena, charges that the loan was illegal, because it was arranged without the consent of the Knesset finance committee.

The Treasury, in response, argued that the loan will be repaid before the end of the fiscal year, and therefore, since it has no budgetary implications, it does not require the committee's approval.

The petition also claims that the loan represents a change in the Kupat Holim Clalit recovery agreement, which said that all Kupat Holim debts would be deducted from "parallel tax" payments due from the fund from the government. Any change in this agreement also requires the finance committee's okay, the petition argues.

"The petitioner fears that the intention of the respondent (Finance Minister Avraham Shohat) ... was to extend monetary aid to finance the Histadrut elections," the petition says.

Court rules Channel 2 was right to ban Shamai spots

EVELYN GORDON

THE New Channel 2 was correct to ban ads by MK Ya'acov Shamai, who heads the Likud in the Histadrut, while permitting ads by the Histadrut itself, the High Court of Justice ruled yesterday. Shamai had petitioned against the station's decision, arguing that either both ads were forbidden "political propaganda," or else both were not. He also charged that since Channel 2 regulations forbid ads by "an organization whose goals ... are connected to labor disputes," Histadrut ads should clearly be banned.

However, Justices Aharon Barak, Ya'acov Kedmi and Zvi Tal accepted Channel 2's argument that Shamai's ads, which called on viewers to "separate politics from the Histadrut" and "unite for the sake of a stronger Histadrut," would be interpreted by the average viewer as calls to vote for Shamai for Histadrut secretary-general.

With regard to the Histadrut ads, which gave information on various services available through the Histadrut, Channel 2 had argued that since no personalities were featured, they could not be considered political. The court declined to rule on this issue, noting that since the organization is no longer broadcasting the ads, the question is hypothetical.

However, the justices said, it is possible that such ads, though unexceptional during the year, could be considered propaganda close to election time, since "information on the successes of the Histadrut are likely to be perceived by the ordinary voter as election propaganda for those who made these successes possible [i.e. the current leadership]."

Finally, the court ruled that though the wording of the regulation regarding organizations involved in labor disputes supports Shamai's claim, it is illogical to interpret it this way, since this would be an unwarrantably broad infringement on freedom of speech. It was more reasonable, the justices said, to assume that the ban was meant to apply only to ads related to specific labor disputes, and not to an organization as a whole.



Minister of Labor and Social Affairs Ora Namir meets with striking social workers yesterday in Jerusalem. Talks to try to end the strike will be resumed today. (Roni Ne'eman)

Negotiations resuming to try to end social workers' strike

SASHA SADAN

NEGOTIATIONS resume today between the Treasury and the Association of Social Workers, whose strike by its 9,000 members enters its 15th day this morning.

Treasury wage director Shalom Granit, who said he would not negotiate as long as the work stoppage continued, will not be at today's meeting.

The Treasury will be represented by either assistant wage director Yuval Raklevsky or another Treasury representative. Also present will be the social workers' major employers: the country's three biggest cities, the Health and Labor and Social Affairs ministries, and the Jewish Agency.

Union spokesman David Ziso said last night that the meeting was engineered by Labor and Social Affairs Minister Ora Namir, who issued a blistering attack on the Finance Ministry yesterday and accused it of discriminating against the social workers.

MK Amir Peretz (Labor), chairman of the Knesset labor and social affairs committee, said Granit "lives

on another planet." The committee, which met yesterday to discuss the strike, called on Namir to raise the strike in the cabinet and demanded that Finance Minister Avraham Shohat intervene and instruct Granit to resume negotiations "immediately and continuously until a solution is found."

During the stormy meeting, David Mena (Likud) called on Namir to resign. Likud MK Naomi Blumenthal, however, echoed the stand of Eli Ben-Gera, head of the Association of Social Workers. "Since their last strike a year ago, they have received nothing. It's all been swallowed by the minimum wage," she said.

A large number of social workers have their wages supplemented by the National Insurance Institute so they earn the minimum wage of NIS 1,560 a month. The union says that the pay increases offered by the Treasury in the accord signed last May will mostly replace that supplement, but add nothing to their pay.

Doctors call off strike after Treasury agrees to wage increases

JUDY SIEGEL

THE Israel Medical Association agreed at 3 a.m. yesterday to cancel a threatened strike by the country's public-sector doctors that was to have begun four hours later. The Treasury, in turn, agreed to grant wage increases "no less than those earned by the hospital nurses last year."

The tentative agreement did not list specific figures, but the two

sides decided to begin serious negotiations on Monday. The IMA felt that the wage negotiations had begun to move, and that a doctors' strike was therefore not appropriate at a time of political unrest and tension.

IMA sources said Finance Ministry wage director Shalom Granit

agreed that the wage accord to be reached in the coming days would not come at the expense of overtime. No agreement was reached about reducing the doctors' work-week.

Last week, the IMA held a 24-hour warning strike in all government and Kupat Holim Clalit hospitals, health fund community clinics and district health offices.

Dispute on receipt of evidence in wiretapping case

RAINE MARCUS

COMPLICATED legal arguments are still continuing in the pre-trial hearings of private investigators Rafi Friedman and Ya'acov Tsur, who are suspected of tapping hundreds of phones, cellular phones and faxes of politicians.

Senior *Yediot Aharonot* and *Ma'ariv* employees, and members of the security forces.

So far, the two have only been charged with tapping three phones, but the prosecution is expected to present a more complete, amended indictment.

Defense lawyers now claim they

have not received all the evidence from the prosecution despite an order issued by a Tel Aviv Magistrates Court judge.

However, the prosecution does not want to release the scores of cassettes found in Friedman and Tsur's offices, because it claims the contents may interfere with further investigations. Police have not yet discovered who paid the pair to tap the phones.

Judge Zecharia Caspi is expected to rule on Sunday whether the

defense is entitled to all the cassettes or just chosen recordings. The two, who were remanded three weeks ago, were released to house arrest this week, though the prosecution had asked to keep them in custody.

Caspi will also decide whether to release the two on bail or keep them under house arrest until trial.

Defense lawyer Moti Katz said he will appeal to the Supreme Court if he does not receive all the evidence. He maintains that tapping cellular phones is not illegal.

Anat Maor to press for civil marriage, abortions, despite Ramon list's partnership with Shas

MICHAEL YUDELMAN

MK ANAT Maor, the Ramon list's candidate for Na'amat secretary-general, said yesterday she would fight to liberalize abortion laws and continue Na'amat's arrangement of "civil marriage" contracts, regardless of Shas's partnership in the list.

Maor (Meretz) yesterday denied reports that Meretz had renounced its positions on women's rights, stating that the party's platform remained intact. She asserted that in the Histadrut and Na'amat leadership, she and other women would fight vigorously to uproot all discrimination against women, and lobby for more liberal abortion legislation in the Knesset.

Maor admitted, however, that two chapters were added to Meretz's platform, concerning the rights of religious workers and religious activity in work places.

Shas leader Aryeh Deri had said that Meretz had given up all its positions concerning religious coercion, women's rights, abortions and civil marriages, as concessions in exchange for Shas joining Ramon's list. Deri was quoted in Shas's newspaper *Yom Leyom* as saying that "I was stunned by Meretz's concessions. I hardly had to say a word. They accepted all my demands."

Journalists' association blasts Ramon for ripping 'Davar'

MICHAEL YUDELMAN

THE National Federation of Israel Journalists yesterday blasted MK Haim Ramon for stating the *Davar* newspaper should be shut down, and accused him of threatening the livelihood of dozens of journalists for political interests.

Ramon said at a press conference in Beersheba this week the newspaper "does not have a single report in it which is not distorted in the most terrible way."

Asked whether he intends to close the Histadrut-owned newspaper down should he be elected

secretary-general, Ramon replied that the paper only has a right to exist if it has enough readers.

In a statement expressing profound shock at Ramon's attacks on *Davar*'s journalists, the association said: "Although *Davar* is owned by the Histadrut, its journalists are careful to provide fair and decent coverage of all topics. Ramon's threat on the jobs and living of dozens of journalists to advance his political ambitions is wrong and has no place in a democratic society."

Maor said her main struggle would focus on equal pay for women. She accused Na'amat's present leadership of sacrificing this principle in wage negotiations, enabling employers to get away with paying women up to 50 percent less for equal work.

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Bomb victim

CHIEF Rabbi Yisroel Meir Kohn, who was injured yesterday in the explosion at the Afeka center, is still recovering from his injuries. The party had been celebrating the anniversary of the founding of the state, together with the staff.

In addition to his wife, Tal Peretz, who was also injured, he has a son, Shabbat, and a daughter, Herta. He is currently recovering from his injuries at the hospital.

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